CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

Movements in UK costs and prices: 1973–79

Research and development: expenditure and employment in the seventies

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Release dates of economic statistics to be published in September 1981

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in September 1981. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about individual series should be made to the source named.

Publication date	Series	Method of release	Source
September 1981			
Tues 1	CBI monthly trends inquiry (August)	PN	CBI
Wed 2	*United Kingdom Balance of Payments 1981 edition*	Pink Book	CSO
	United Kingdom official reserves (August)	PN	HM Treasury
	Capital issues and redemptions (during the month of August)	PN	Bank of England
Thurs 3	Advance energy statistics (July)	PN	D of Energy
Fri 4	Company liquidity survey (2nd quarter)	*British business*	D of Industry
Mon 7	House renovations (2nd quarter)	PN	D of the Environment
	Housing starts and completions (July)	PN	D of the Environment
Tues 8	Construction – output (2nd quarter)	PN	D of the Environment
	Hire purchase and other instalment credit business (July)	PN	D of Trade
	Retail sales (July – final)	PN	D of Trade
	Wholesale price index numbers (August – provisional)	PN	D of Industry
	Provisional figures of vehicle production (August)	PN	D of Industry
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-August)	PN	Bank of England
	London clearing banks' monthly statement (mid-August)	PN	CLCB
Wed 9	United Kingdom balance of payments (2nd quarter)	PN	CSO
	Central government transactions (including borrowing requirement) (August)	PN	HM Treasury
Fri 11	Building societies' monthly figures (August)	PN	BSA
Mon 14	Retail Sales (August – provisional)	PN	D of Trade
Tues 15	Index of industrial production (July – provisional)	PN	CSO
Wed 16	Indices of average earnings (July)	PN	D of Employment
	Indices of basic rates of wages (August)	PN	D of Employment
Thurs 17	*National Income and Expenditure 1981 edition*	Blue Book	CSO
	UK banking sector statistics (2nd quarter)	*Bulletin*	Bank of England
	Financing of the central government borrowing requirement (2nd quarter)	*Bulletin*	Bank of England
	Money stock (2nd quarter)	*Bulletin*	Bank of England
	Capital expenditure by the manufacturing, distributive and service industries (2nd quarter – revised)	PN	D of Industry
	Manufacturers' and distributors' stocks (2nd quarter – revised)	PN	D of Industry
	UK banks' assets and liabilities and the money stock (mid-August)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-August)	PN	Bank of England
Fri 18	Retail price index (August)	PN	D of Employment
	Tax and price index (August)	PN	CSO
	Cyclical indicators for the UK economy (August)	PN	CSO
	Usable steel production (August)	PN	BSC/BISPA
Sun 20	Department for National Savings' monthly progress report (August)	PN	D for National Savings
Mon 21	Construction – new orders (July)	PN	D of the Environment
Tues 22	Gross domestic product (2nd quarter – provisional)	PN	CSO
	Unemployment (September – provisional)	PN	D of Employment
	Unfilled vacancies (September – provisional)	PN	D of Employment
Wed 23	New vehicle registrations (August)	PN	D of Transport
Thurs 24	*Energy Trends*	PN	D of Energy
	Unemployment and unfilled vacancies (August – final)	*Employment Gazette*	D of Employment
	Employment in the production industries (July)	*Employment Gazette*	D of Employment
	Overtime and short-time working in manufacturing industries (July)	*Employment Gazette*	D of Employment
	Stoppages of work due to industrial disputes (August)	*Employment Gazette*	D of Employment
Fri 25	Sales and orders in the engineering industries (June)	*British business*	D of Industry
	Car and commercial vehicle production (August – final)	*British business*	D of Industry
Mon 28	Quarterly analysis of bank advances (mid-August)	PN	Bank of England
	CBI monthly trends inquiry (September)	PN	CBI
Wed 30	Advance energy statistics (August)	PN	D of Energy

PN—*Press Notice*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 334
August 1981

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 21 August. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Symbols used:

..	not available or not meaningful
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 80
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

Contents

	Page
Introduction	1
Latest developments in the economy	3
Selected monthly indicators	5
Tables and charts	
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices	6
Expenditure on the gross domestic product	8
Personal disposable income and consumption	10
Real consumers' expenditure—component categories	10
Retail sales, new registrations of cars and hire purchase debt	12
Shares of income and expenditure	14
Income, product and spending *per capita*	14
Gross domestic fixed capital formation by sector and by type of asset	16
Indicators of fixed investment by manufacturing industry	18
Department of Industry inquiry into investment intentions: manufacturing industry	18
Indicators of fixed investment in dwellings	20
Stock changes	22
Stock ratios	22
Inland energy consumption	24
Index of industrial production	26
Index numbers of output	28
Engineering and construction: output and orders	30
Motor vehicle production and steel production and consumption	32
Output per person employed	34
National employment and unemployment	36
Regional unemployment rates	38
Wage rates and earnings	40
Prices	42
Visible trade	44
Measures of UK trade competitiveness	46
Balance of payments: current account	48
Sterling exchange rates and the UK official reserves	50
Money stock and liquidity	52
Domestic credit expansion and money stock	54
General government receipts and expenditure	56
Financial transactions of the public sector	56
Sector financial accounts	58
Appropriation account of industrial and commercial companies	60
Capital account and net acquisition of financial assets of industrial and commercial companies	62
Net borrowing requirement of industrial and commercial companies	62
UK banks' lending to UK residents	64
UK banks' advances and acceptances to UK residents	64
Interest rates, security prices and yields	66
Cyclical indicators for the UK economy	68
Measures of variability of selected economic series	80
Articles	
Movements in UK costs and prices: 1973–79	82
Research and development: expenditure and employment in the seventies	94
Index of Sources	112
Other	
Release dates of economic statistics to be published in September 1981	*inside front cover*
Articles published in recent *Economic Trends*	*inside back cover*

Latest developments in the economy[1]

Data available at 21 August 1981

Output

According to the index of industrial production total manufacturing output in the second quarter showed little change from its first quarter level, with some upturn in chemicals and metals offsetting falls in other industries. Outside manufacturing, oil output fell slightly from its record level in the first quarter and construction output fell also. Total industrial output in the second quarter was thus marginally below that in the first.

The preliminary estimate of gross domestic product, based on output data, fell by around ½ per cent between the first and second quarters, a similar fall to that between the previous two quarters but significantly less than those during 1980. There was little change in the level of activity in the distributive trades but there was some fall in transport and other services.

Official reserves and the exchange rate (not seasonally adjusted)

The UK official reserves fell by $1,063 million to $24,568 million at the end of July. The final tranches of $550 million of the $2½ billion Eurodollar loan raised in 1974 were repaid in July.

Up to 20 August the average sterling effective exchange rate for August was 1½ per cent less than the average for July as a whole.

Earnings and wage rates

The whole economy index of average earnings rose by 1·8 per cent in June to 203·6 (January 1976 = 100). The increase over June 1980 was 11·8 per cent. Basic weekly wages for manual workers (not seasonally adjusted) in July were 8·2 per cent higher than a year ago.

Prices (not seasonally adjusted)

The index of retail prices in July was 297·1 (January 1974 = 100), 0·4 per cent up on June and 10·9 per cent up on July 1980.

The tax and price index for July was 154·2 (January 1978 = 100), an increase of 14·3 per cent on July 1980.

The price index for materials and fuel purchased by manufacturing industry increased by 1¼ per cent between June and July. Nearly two-thirds of this increase could be accounted for by a higher sterling price for crude oil, caused by the depreciation of sterling against the dollar. The increase in the index measured over a 12-month period rose from 14¼ per cent in June to 15½ per cent in July.

The wholesale price index for home sales of manufactured products increased by ¼ per cent between June and July, reflecting widespread small price increases. The increase in the index over 12 months to July was 9½ per cent, the lowest 12-monthly increase since March 1979.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Financial aggregates

During banking July (four weeks to 15 July) sterling M_3 increased by £1,510 million or 2·1 per cent. The monetary aggregates continued to be distorted by the civil servants dispute; its effects on the central government borrowing requirement (CGBR) were substantially larger this month than in previous months. The CGBR was £2,290 million, and between two-thirds and three-quarters was estimated to have been a direct consequence of the dispute. It was increasingly difficult to estimate how much of the distortion affected the aggregates, particularly in individual months, but the underlying rise in sterling M_3 from March to July was unlikely to have been outside the target range of 6 to 10 per cent per annum; M_1 rose sharply by £1,000 million or 3·2 per cent; some 40 per cent of the rise was attributable to interest-bearing sight deposits of the private sector. The non-interest bearing component of M_1 rose by 2·3 per cent; part of this unusually large rise could reflect balances held to meet cheques for Schedule D income tax due on 1 July but not presented because of the civil servants' dispute. Domestic credit expanded by £2,140 million.

The sterling value of all bank deposits rose exceptionally sharply, by 5½ per cent. The bulk of this was accounted for by changes in the sterling value of foreign currency deposits, with a fall of nearly 6 per cent in the value of the pound against the dollar being the main influence. However, after excluding the effect of exchange rate movements and inter-bank transactions, the consolidated balance sheet of the total banking sector still showed a large expansion.

Consumers' expenditure

Preliminary estimates suggest that there was a fall of more than 1½ per cent in the volume of consumers' expenditure between the first and second quarters. The estimate reflects the decline in retail sales from peak levels in the first quarter, lower demand for alcoholic drink and tobacco following the Budget and a further fall in the consumption of fuel and light, which was calculated at a level lower than at any time since 1976.

The provisional estimate of the volume of retail sales in July is 110·5 (1976 = 100). This indicates that sales have fallen back from the June level when trade may have been boosted by some retailers starting their main summer clearance sales earlier than normal.

Stockbuilding

Provisional figures for the second quarter of 1981 of manufacturers' and distributors' stocks indicate that stock levels fell by £400 million (1975 prices). This gives a fall of £800 million in the first half of 1981 compared to a fall of £1,200 million in the second half of 1980. The rate at which manufacturers continued to reduce stocks may have eased slightly in the second quarter although the rate of destocking remained high.

Capital expenditure

Provisional figures for the second quarter of 1981 of the volume of capital expenditure of the manufacturing, distributive and service industries are 1 per cent above the level in the first quarter. For manufacturing industries alone this level was 1 per cent below the first quarter.

Economic events

July

20 The Secretary of State for Industry, Sir Keith Joseph, announced that the National Enterprise Board is to be merged with the National Research Development Corporation to form the British Technology Group.

23 The Department of Trade announced a review to recommend proposals for a new legislative framework of protection for investors in securities and other forms of property.

27 The Prime Minister announced in the House of Commons a series of proposals designed to ease the burden of hardship caused by unemployment. These include an additional 110,000 places on the youth opportunities programme this year, above the 440,000 originally planned, and a new scheme to subsidise employment of school leavers provided they earn less than £40 a week.

28 White Paper on 'The Role of the Comptroller and Auditor General,' published.

30 The Financial Secretary to the Treasury, Mr Nigel Lawson, announced that, from 7 September, the second Index-linked National Savings Certificate would be available to all people, regardless of their age.
The Council of Civil Service Unions accepted the Government's revised pay offer and called off its campaign of selective strike action.

31 It is announced that the new 20p coin will be introduced in June 1982 and the new £1 coin in April 1983.

August

5 The Bank of England announced that from 20 August it would no longer continuously post a Minimum Lending Rate. It might however, in some circumstances announce, in advance, the minimum rate which, for a short period ahead, it would apply to any lending in the market. Also from 20 August, the new arrangements for monetary control set out in its note, 'Monetary Control — Provisions,' will begin.

Selected monthly indicators[1]

		Seasonally adjusted					Unadjusted					Seasonally adjusted	
		1976 = 100	1975 = 100	Thousands		Jan. 1976 = 100	1975 = 100	Jan. 1974 = 100	Jan. 1978 = 100	1975 = 100	$ billion	£ million	
		Volume of retail sales (GB)[2, 3] §	Index of Industrial production[4] §	Unemployment[5, 6, 8] §	Vacancies[7, 8] §	Average earnings (whole economy: GB)[15]	Wholesale price of materials and fuel[9]	Retail price index (all items)	Tax and price index[10]	Sterling effective exchange rate	U.K. official reserves[11]	Balance of payments: Current balance[12]	Money stock sterling M_3
1980	J	110·2	111·7†	1,334·0	207·5	164·6[13]	193·5	245·3	123·2	91·8	23·4	+165	56,280
	F	111·0	109·5	1,376·8	193·4	169·0[13]	197·6	248·8	125·3	93·7	23·7	−123	56,400
	M	109·7	108·6	1,411·0	182·8	172·8[13]	200·4	252·2	127·2	93·5	27·0	+ 44	56,960
	A	109·6	106·8	1,456·2	170·2	175·1	202·3	260·8	130·8	94·3	28·0	−228	57,520
	M	108·4	106·5	1,495·3	162·2	176·7	200·4	263·2	132·2	94·7	28·3	+ 56	58,600
	J	109·5	106·7	1,541·7	145·3	182·1	201·1	265·7	133·6	94·5	28·2	+ 66	59,210
	J	108·5	105·6	1,609·2	127·9	183·1	201·7	267·9	134·9	95·6	28·3	+391	62,310
	A	109·6	102·9	1,696·8	120·5	187·3	201·8	268·5	135·3	96·8	28·3	+ 61	63,600
	S	108·5	101·6	1,791·1	111·1	194·0	202·1	270·2	136·3	97·6	27·6	+434	63,800
	O	109·7	101·1	1,892·9	100·0	190·7	201·4	271·9	137·3	99·2	28·0	+715	65,460
	N	109·2	100·6	2,030·0	96·2	192·6	203·4	274·1	138·5	101·1	28·2	+619	66,250
	D	108·4	100·0	2,136·6	98·8	196·6	205·1	275·6	139·4	100·2	27·5	+563	66,900
1981	J	114·0	99·0	2,228·3	103·6	195·3	209·7	277·3	140·4	102·0	28·4	+1,059	67,290
	F	112·9	99·9	2,304·1	98·2	196·9	214·0	279·8	141·9	102·5	28·4	+631	67,530†
	M	111·4	99·7	2,380·8	96·9	197·9	217·8	284·0	144·3	99·7	28·2	..	68,000
	A	111·4	99·1	2,452·3	94·3	199·5†	221·3	292·2	151·3	99·2	28·1	..	69,500
	M	110·6	98·2	2,514·6	91·7	200·0	226·1	294·1	152·4	98·8	26·5	..	70,570
	J	111·7†	99·5	2,552·3†	82·5	203·6[14]	229·9[14]	295·8	153·5	95·4	25·6	..	70,670
	J	110·5[14]		2,582·3	91·7		232·8[14]	297·1	154·2	92·5	24·6	..	72,140
	A											..	
	S											..	
		Percentage change, latest three months on previous three months											
1981	J	*+ 1·1*	*− 2·0*	*+18·8*	*−10·0*	*+2·2*	*+ 2·1*	*+ 2·0*	..	*+ 3·3*	..	..	*+ 3·9*
	F	*+ 2·2*	*− 1·5†*	*+16·7*	*− 2·1*	*+2·0*	*+ 3·6*	*+ 2·0*	..	*+ 2·3*	..	..	*+ 3·2*
	M	*+ 3·4*	*− 1·0*	*+14·1*	*+ 1·3*	*+1·7*	*+ 5·2*	*+ 2·4*	..	*+ 1·2*	..	..	*+ 2·1*
	A	*+ 1·4*	*− 0·3*	*+11·6*	*− 3·1*	*+1·7*	*+ 5·6*	*+ 3·5*	..	*− 0·6*	..	..	*+ 2·3*
	M	*− 0·3*	*− 0·6*	*+10·2*	*− 5·9*	*+1·5*	*+ 5·8*	*+ 4·5*	..	*− 2·4*	..	..	*+ 3·1*
	J	*− 1·2†*	*− 0·6*	*+ 8·8*	*−10·1*	*+2·2[14]*	*+ 5·6[14]*	*+ 4·9*	..	*− 3·6*	..	..	*+ 3·9*
	J	*− 0·8[14]*		*+ 7·2*	*− 8·1*		*+ 5·5[14]*	*+ 3·6*	..	*− 4·9*		..	*+ 4·1*
	A								..			..	
	S								..			..	
		Percentage change, latest three months on corresponding period of previous year											
1981	J	*+ 0·6*	*−11·2†*	*+63·2*	*−54·8*	*+19·0*	*+ 9·0*	*+14·5*	*+15·6*	*+12·6*	..	..	*+19·9*
	F	*+ 1·5*	*−10·4*	*+66·2*	*−51·5*	*+18·2*	*+ 8·7*	*+13·5*	*+14·5*	*+10·8*	..	..	*+20·1*
	M	*+ 2·3*	*− 9·5*	*+67·7*	*−48·8*	*+16·5*	*+ 8·5*	*+12·7*	*+13·5*	*+ 9·0*	..	..	*+19·6*
	A	*+ 1·6*	*− 8·0*	*+68·2*	*−47·0*	*+15·0*	*+ 8·8*	*+12·4*	*+14·1*	*+ 7·1*	..	..	*+20·0*
	M	*+ 1·7*	*− 7·7*	*+68·4*	*−45·1*	*+13·9*	*+10·3*	*+12·1*	*+14·8*	*+ 5·3*	..	..	*+20·2*
	J	*+ 1·9†*	*− 7·3*	*+67·3*	*−43·8*	*+13·0[14]*	*+12·2[14]*	*+11·7*	*+15·3*	*+ 3·5*	..	..	*+20·2*
	J	*+ 1·9[14]*		*+64·6*	*−38·9*		*+14·2[14]*	*+11·3*	*+14·8*	*+ 1·2*		..	*+18·5*
	A											..	
	S											..	

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1980 is exceptionally a five-week period. The series from 1976 onwards has been constrained to agree with the annual retailing inquiries. *See British business,* 5 December 1980.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette,* November 1979.
[7] Vacancies notified to employment offices.
[8] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette.*
[9] Purchased by manufacturing industry.
[10] Described in an article in *Economic Trends* No. 310, August 1979.
[11] See footnote [2] on page 50.
[12] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.
[13] See footnote [3] on page 40.
[14] Provisional.
[15] The seasonal adjustment factors have been recalculated on the basis of data up to December 1980 and previous figures have been amended accordingly.

Tables and charts

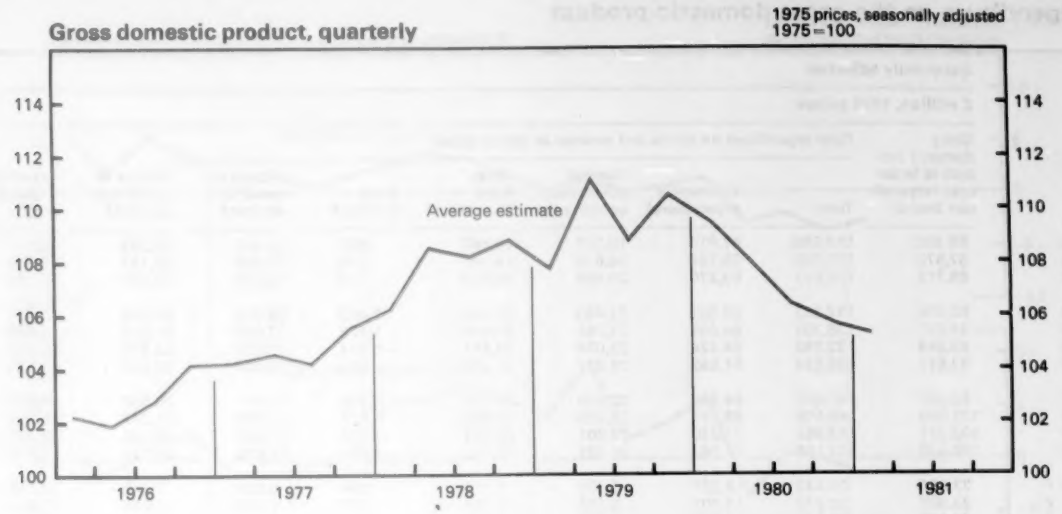
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

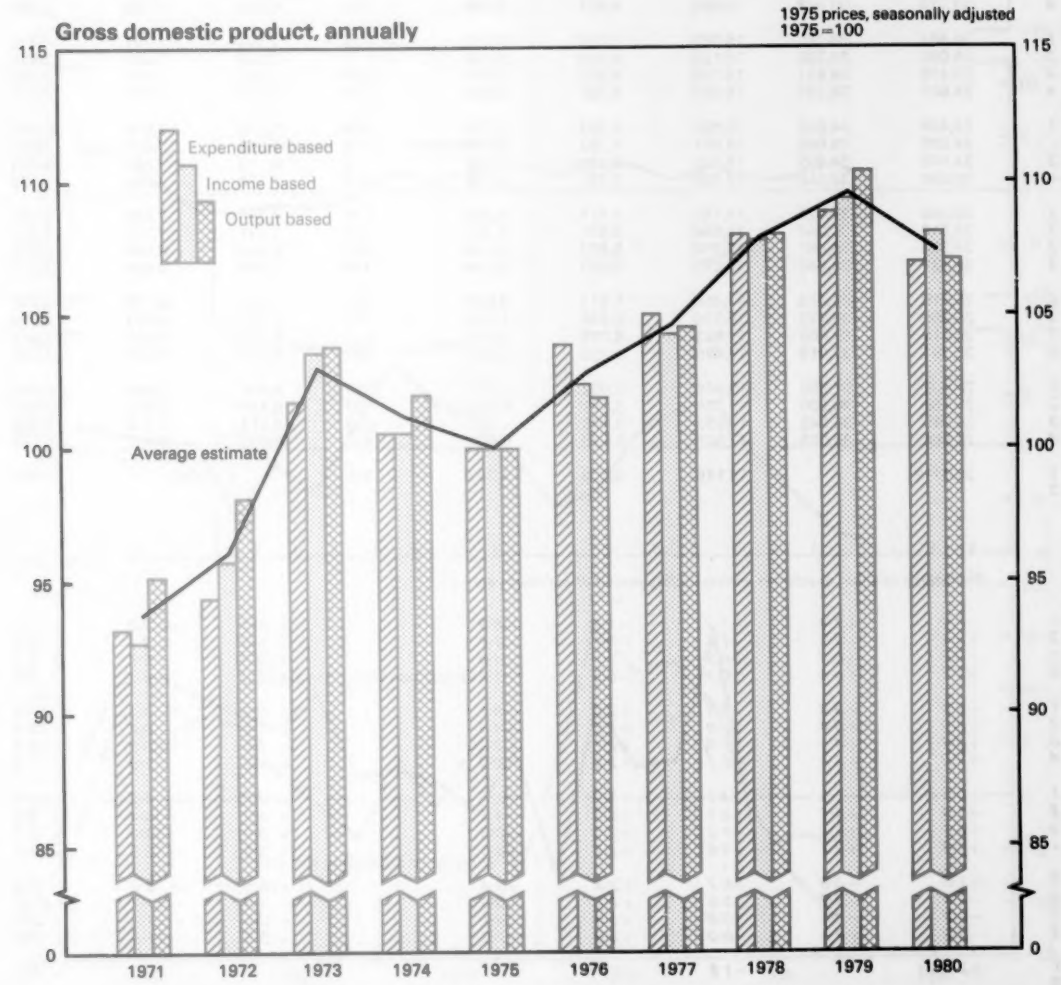
	Gross domestic product at factor cost									Implied index of total home costs	National disposable income at 1975 market prices
	At current prices				At 1975 factor cost						
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data§	income data[2]§	output data§	Average estimate§	expenditure data	Average estimate
1970	43,530	44,051	46·3	47·0	85,402	90·9	92·2	93·8	92·3	51·0	96·0
1971	49,442	49,027	52·6	52·3	87,572	93·2	92·7	95·2	93·7	56·5	97·9
1972	55,289	55,898	58·8	59·7	88,719	94·4	95·7	98·1	96·1	62·3	101·0
1973	64,258	65,302	68·4	69·7	95,506	101·7	103·6	103·8	103·0	67·3	106·0
1974	74,413	74,206	79·2	79·2	94,527	100·6	100·6	102·0	101·1	78·7	100·3
1975	93,954	93,692	100·0	100·0	93,954	100·0	100·0	100·0	100·0	100·0	100·0
1976	111,221	109,350	118·4	116·7	97,610	103·9	102·4	101·9	102·7	113·9	102·5
1977	126,072	124,967	134·2	133·4	98,627	105·0	104·3	104·5	104·6	127·8	103·5
1978	144,317	143,633	153·6	153·3	101,500	108·0	107·8	108·0	107·9	142·2	108·8
1979	164,396	164,732	175·0	175·8	102,271	108·9	109·4	110·4	109·6	160·7	111·9
1980	191,035	192,296	203·3	205·2	100,570	107·0	108·1	107·1	107·4	190·0	111·5
1976 *1*	26,654	25,914	113·5	110·6	24,483	104·2	101·6	100·7	102·2	108·9	102·1
2	26,987	26,764	114·9	114·3	24,040	102·3	101·8	101·5	101·9	112·3	
3	28,205	27,748	120·1	118·5	24,416	103·9	102·6	101·7	102·7	115·5	103·1
4	29,375	28,924	125·1	123·5	24,671	105·0	103·7	103·6	104·1	119·1	
1977 *1*	30,069	30,052	128·0	128·3	24,424	104·0	104·2	104·5	104·2	123·1	102·6
2	30,896	30,958	131·5	132·2	24,570	104·6	105·1	103·9	104·5	125·7	
3	31,987	31,642	136·2	135·1	24,543	104·5	103·6	104·5	104·2	130·3	104·4
4	33,120	32,315	141·0	138·0	25,090	106·8	104·5	105·1	105·5	132·0	
1978 *1*	34,497	33,991	146·9	145·1	25,096	106·8	105·6	106·3	106·2	137·5	107·9
2	35,759	35,717	152·2	152·5	25,519	108·6	108·8	108·2	108·5	140·1	
3	36,717	36,582	156·3	156·2	25,354	107·9	107·9	108·8	108·2	144·8	109·8
4	37,344	37,343	159·0	159·4	25,531	108·7	109·0	108·7	108·8	146·3	
1979 *1*	38,049	38,092	162·0	162·6	25,210	107·3	107·8	108·3	107·8	150·9	111·7
2	40,656	40,705	173·1	173·8	25,886	110·2	110·7	112·2	111·0	157·1	
3	41,987	41,829	178·8	178·6	25,418	108·2	108·1	110·2	108·8	165·2	112·2
4	43,704	44,106	186·1	188·3	25,757	109·7	111·0	110·8	110·5	169·7	
1980 *1*	45,422	45,628	193·4	194·8	25,603	109·0	109·8	109·8	109·5	177·4	111·8
2	47,094	47,673	200·5	203·5	25,159	107·1	108·7	108·1	108·0	187·2	
3	48,921	49,076	208·3	209·5	24,940	106·2	106·8	106·2	106·4	196·2	111·3
4	49,598	49,919	211·2	213·1	24,868	105·9	106·9	104·4	105·7	199·4	
1981 *1*[3]	50,730	50,513	216·0	215·7	24,911	106·1	105·9	103·8	105·3	203·6	
2											
	Percentage change, period on corresponding period of previous year										
1978 *1*	*+14·7*	*+13·1*	*+14·7*	*+13·1*	*+2·8*	*+2·8*	*+1·3*	*+1·7*	*+1·9*	*+11·7*	*+5·2*
2	*+15·7*	*+15·4*	*+15·7*	*+15·4*	*+3·9*	*+3·9*	*+3·5*	*+4·1*	*+3·8*	*+11·5*	
3	*+14·8*	*+15·6*	*+14·8*	*+15·6*	*+3·3*	*+3·3*	*+4·2*	*+4·1*	*+3·8*	*+11·1*	*+5·2*
4	*+12·8*	*+15·6*	*+12·8*	*+15·6*	*+1·8*	*+1·8*	*+4·3*	*+3·4*	*+3·1*	*+10·8*	
1979 *1*	*+10·3*	*+12·1*	*+10·3*	*+12·1*	*+0·5*	*+0·5*	*+2·1*	*+2·0*	*+1·5*	*+ 9·7*	*+3·5*
2	*+13·7*	*+14·0*	*+13·7*	*+14·0*	*+1·4*	*+1·4*	*+1·7*	*+3·8*	*+2·3*	*+12·1*	
3	*+14·4*	*+14·3*	*+14·4*	*+14·3*	*+0·3*	*+0·3*	*+0·2*	*+1·3*	*+0·6*	*+14·1*	*+2·2*
4	*+17·0*	*+18·1*	*+17·0*	*+18·1*	*+0·9*	*+0·9*	*+1·8*	*+1·9*	*+1·6*	*+16·0*	
1980 *1*	*+19·4*	*+19·8*	*+19·4*	*+19·8*	*+1·6*	*+1·6*	*+1·9*	*+1·4*	*+1·6*	*+17·6*	*+0·1*
2	*+15·8*	*+17·1*	*+15·8*	*+17·1*	*−2·8*	*−2·8*	*−1·8*	*−3·7*	*−2·7*	*+19·2*	
3	*+16·5*	*+17·3*	*+16·5*	*+17·3*	*−1·9*	*−1·9*	*−1·2*	*−3·6*	*−2·2*	*+18·8*	*−0·8*
4	*+13·5*	*+13·2*	*+13·5*	*+13·2*	*−3·5*	*−3·5*	*−3·7*	*−5·7*	*−4·3*	*+17·5*	
1981 *1*	*+11·7*	*+10·7*	*+11·7*	*+10·7*	*−2·7*	*−2·7*	*−3·6*	*−5·4*	*−3·8*	*+14·8*	
2											

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the implied index of total home costs.
[3] Owing to the Civil Service dispute, visible trade figures for March are not available. To enable estimates to be compiled of the gross domestic product in the first quarter of 1981, the net visible trade balance in the three months ending February 1981 has been included as the 'goods' element of net exports of goods and services.

Gross domestic product, quarterly



Gross domestic product, annually



Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							Adjustment to factor cost
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	
1970	85,402	118,585	57,814	19,103	19,460	802	21,492	23,938	9,167
1971	87,572	122,346	59,724	19,673	19,743	278	22,966	25,187	9,514
1972	88,719	126,827	63,270	20,484	19,823	− 19	23,221	27,694	10,243
1973	95,506	137,337	66,332	21,453	21,195	2,483	25,874	30,913	10,918
1974	94,527	136,381	64,881	21,761	20,616	1,428	27,695	31,216	10,638
1975	93,954	133,392	64,424	23,074	20,417	−1,534	27,011	28,979	10,459
1976	97,610	138,634	64,642	23,221	20,673	654	29,444	30,201	10,823
1977	98,627	140,055	64,240	22,949	20,145	1,310	31,411	30,562	10,866
1978	101,500	145,166	68,074	23,425	20,853	825	31,989	31,747	11,919
1979	102,271	149,951	71,270	23,901	20,541	1,578	32,661	35,284	12,396
1980	100,570	147,165	71,762	24,381	20,123	−1,921	32,820	34,124	12,471
1975 *1*	23,394	33,442	16,285	5,773	5,112	− 584	6,856	7,405	2,643
2	23,609	33,270	16,301	5,692	5,086	− 407	6,598	7,028	2,633
3	23,175	33,132	15,970	5,735	5,178	− 354	6,603	7,363	2,594
4	23,776	33,548	15,868	5,874	5,041	− 189	6,954	7,183	2,589
1976 *1*	24,483	34,201	16,083	5,805	5,232	− 20	7,101	7,101	2,617
2	24,040	34,386	16,122	5,829	5,164	− 71	7,342	7,661	2,685
3	24,416	34,821	16,153	5,802	5,215	270	7,381	7,697	2,708
4	24,671	35,226	16,284	5,785	5,062	475	7,620	7,742	2,813
1977 *1*	24,424	34,684	15,898	5,698	4,901	509	7,678	7,598	2,662
2	24,570	35,064	15,901	5,762	5,079	476	7,846	7,846	2,648
3	24,543	34,962	16,102	5,735	5,009	3	8,113	7,660	2,759
4	25,090	35,345	16,339	5,754	5,156	322	7,774	7,458	2,797
1978 *1*	25,096	35,921	16,748	5,814	5,299	176	7,884	7,884	2,941
2	25,519	36,247	16,844	5,831	5,298	303	7,971	7,792	2,936
3	25,354	36,451	17,210	5,857	5,148	202	8,034	8,065	3,032
4	25,531	36,547	17,272	5,923	5,108	144	8,100	8,006	3,010
1979 *1*	25,210	36,458	17,456	5,914	5,005	751	7,332	8,138	3,110
2	25,886	38,178	18,375	5,974	5,058	103	8,668	9,073	3,219
3	25,418	37,403	17,543	6,018	5,191	377	8,274	9,036	2,949
4	25,757	37,912	17,896	5,995	5,287	347	8,387	9,037	3,118
1980 *1*	25,603	37,850	18,444	6,052	5,227	− 348	8,475	8,858	3,389
2	25,159	36,920	17,734	6,051	5,032	− 137	8,240	8,916	2,845
3	24,940	36,342	17,683	6,108	4,980	− 448	8,019	8,344	3,058
4	24,868	36,053	17,901	6,170	4,884	− 988	8,086	8,006	3,179
1981 *1*	24,911[2]	..	18,146	6,120	4,747	− 951	(+100)[2]		3,251
2									

Percentage change, quarter on corresponding period of previous year

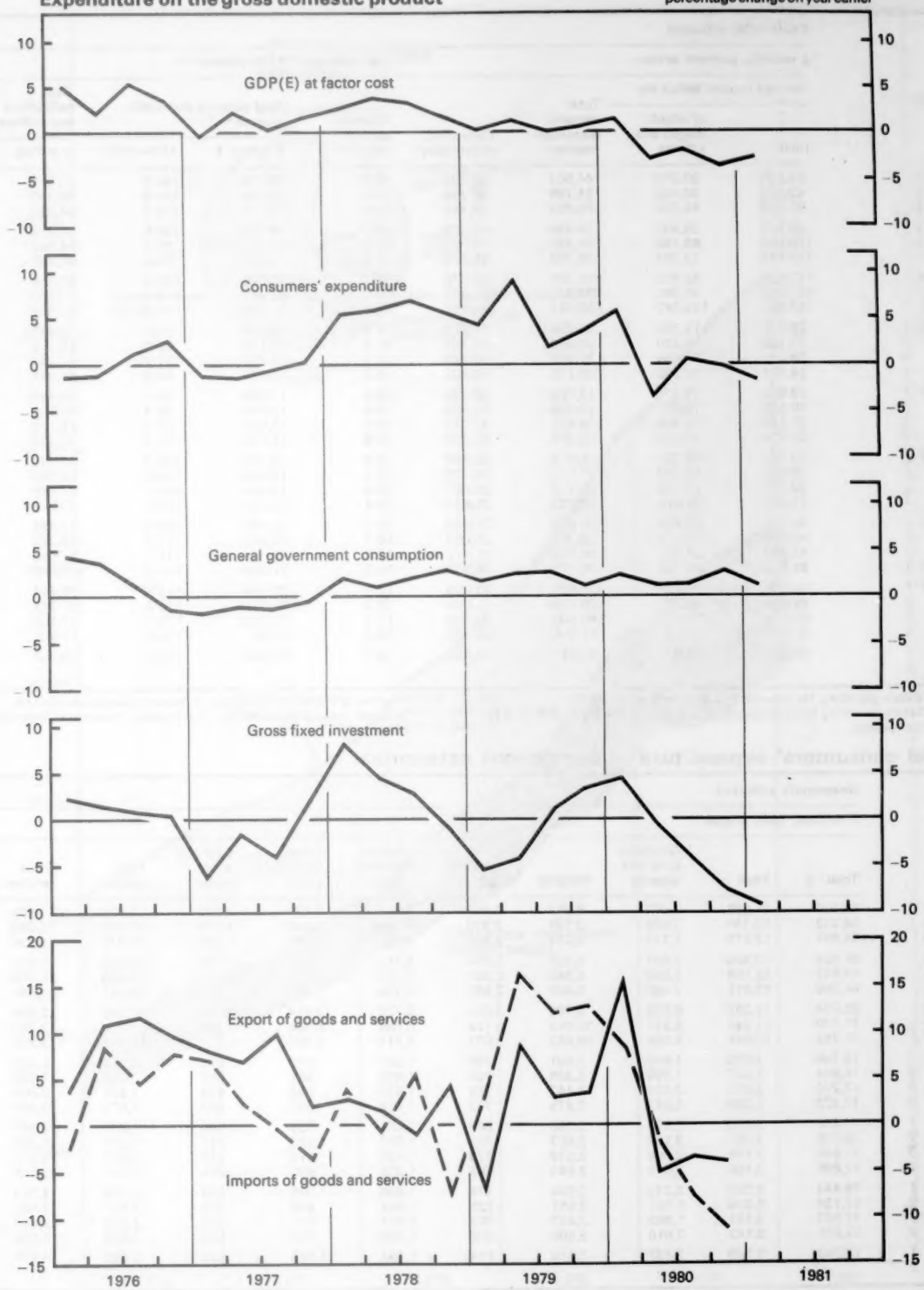
1977 *1*	−0·2	+1·4	−1·2	−1·8	−6·3	..	+ 8·1	+ 7·0	+ 1·7
2	+2·2	+2·0	−1·4	−1·1	−1·6	..	+ 6·9	+ 2·4	− 1·4
3	+0·5	+0·4	−0·3	−1·2	−4·0	..	+ 9·9	− 0·5	+ 1·9
4	+1·7	+0·3	+0·3	−0·5	+1·9	..	+ 2·0	− 3·7	− 0·6
1978 *1*	+2·8	+3·6	+5·3	+2·0	+8·1	..	+ 2·7	+ 3·8	+10·5
2	+3·9	+3·4	+5·9	+1·2	+4·3	..	+ 1·6	− 0·7	+10·9
3	+3·3	+4·3	+6·9	+2·1	+2·8	..	− 1·0	+ 5·3	+ 9·9
4	+1·8	+3·4	+5·7	+2·9	−0·9	..	+ 4·2	+ 7·3	+ 7·6
1979 *1*	+0·5	+1·5	+4·2	+1·7	−5·5	..	− 7·0	+ 3·2	+ 5·7
2	+1·4	+5·3	+9·1	+2·5	−4·5	..	+ 8·7	+16·4	+ 9·6
3	+0·3	+2·6	+1·9	+2·7	+0·8	..	+ 3·0	+12·0	− 2·7
4	+0·9	+3·7	+3·6	+1·2	+3·5	..	+ 3·5	+12·9	+ 3·6
1980 *1*	+1·6	+3·8	+5·7	+2·3	+4·4	..	+15·6	+ 8·8	+ 9·0
2	−2·8	−3·3	−3·5	+1·3	−0·5	..	− 4·9	− 1·7	−11·6
3	−1·9	−2·8	+0·8	+1·5	−4·1	..	− 3·1	− 7·7	+ 3·7
4	−3·5	−4·9	−0·0	+2·9	−7·6	..	− 3·6	−11·4	+ 2·0
1981 *1*	+2·7	..	−1·6	+1·1	−9·2	..	..	..	− 4·1
2						..			

[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.

[2] See footnote [3] on page 6.

Expenditure on the gross domestic product

1975 prices, seasonally adjusted
percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1972	54,501	33,312	44,507	40,183	9·7	70,078	95·0	63,270
1973	63,539	38,430	51,798	45,759	11·7	75,086	101·8	66,332
1974	76,209	46,278	60,694	52,489	13·5	75,023	101·7	64,881
1975	95,827	58,932	73,768	64,424	12·7	73,768	100·0	64,424
1976	110,698	66,166	84,799	74,751	11·9	73,331	99·4	64,642
1977	123,512	73,264	95,798	85,474	10·8	71,999	97·6	64,240
1978	142,536	83,882	112,746	98,376	12·7	78,018	105·8	68,074
1979	167,954	97,661	134,643	115,698	14·1	82,940	112·4	71,270
1980	198,847	115,047	158,587	134,594	15·1	84,554	114·6	71,762
1976 *1*	26,415	15,790	20,234	17,737	12·3	18,342	99·5	16,083
2	27,128	16,320	20,586	18,253	11·3	18,178	98·6	16,122
3	28,201	16,854	21,848	18,878	13·6	18,690	101·3	16,153
4	28,954	17,202	22,131	19,883	10·2	18,121	98·3	16,284
1977 *1*	29,818	17,706	22,765	20,295	10·9	17,835	96·7	15,898
2	30,288	18,032	23,225	21,003	9·6	17,585	95·4	15,901
3	31,236	18,504	24,401	21,777	10·8	18,044	97·8	16,102
4	32,170	19,022	25,407	22,399	11·8	18,535	100·5	16,339
1978 *1*	33,408	19,755	25,973	23,536	9·4	18,490	100·3	16,748
2	35,339	20,723	27,725	24,124	13·0	19,366	105·0	16,844
3	36,282	21,386	29,115	25,087	13·8	19,981	108·3	17,210
4	37,507	22,018	29,933	25,629	14·4	20,181	109·4	17,272
1979 *1*	38,766	22,816	30,892	26,663	13·7	20,243	109·8	17,456
2	40,800	23,734	32,361	28,883	10·7	20,606	111·7	18,375
3	42,864	24,957	34,398	29,319	14·8	20,601	111·7	17,543
4	45,524	26,154	36,992	30,833	16·7	21,490	116·5	17,896
1980 *1*	46,788	27,108	37,536	33,009	12·1	20,986	113·8	18,444
2	49,094	28,402	39,034	33,095	15·2	20,929	113·5	17,734
3	50,928	29,616	40,609	33,688	17·0	21,328	115·7	17,683
4	52,037	29,921	41,408	34,802	16·0	21,311	115·6	17,901
1981 *1*	52,394	29,939	41,744	36,043	13·7	21,016	114·0	18,146
2								

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1975 =100).

Real consumers' expenditure — component categories

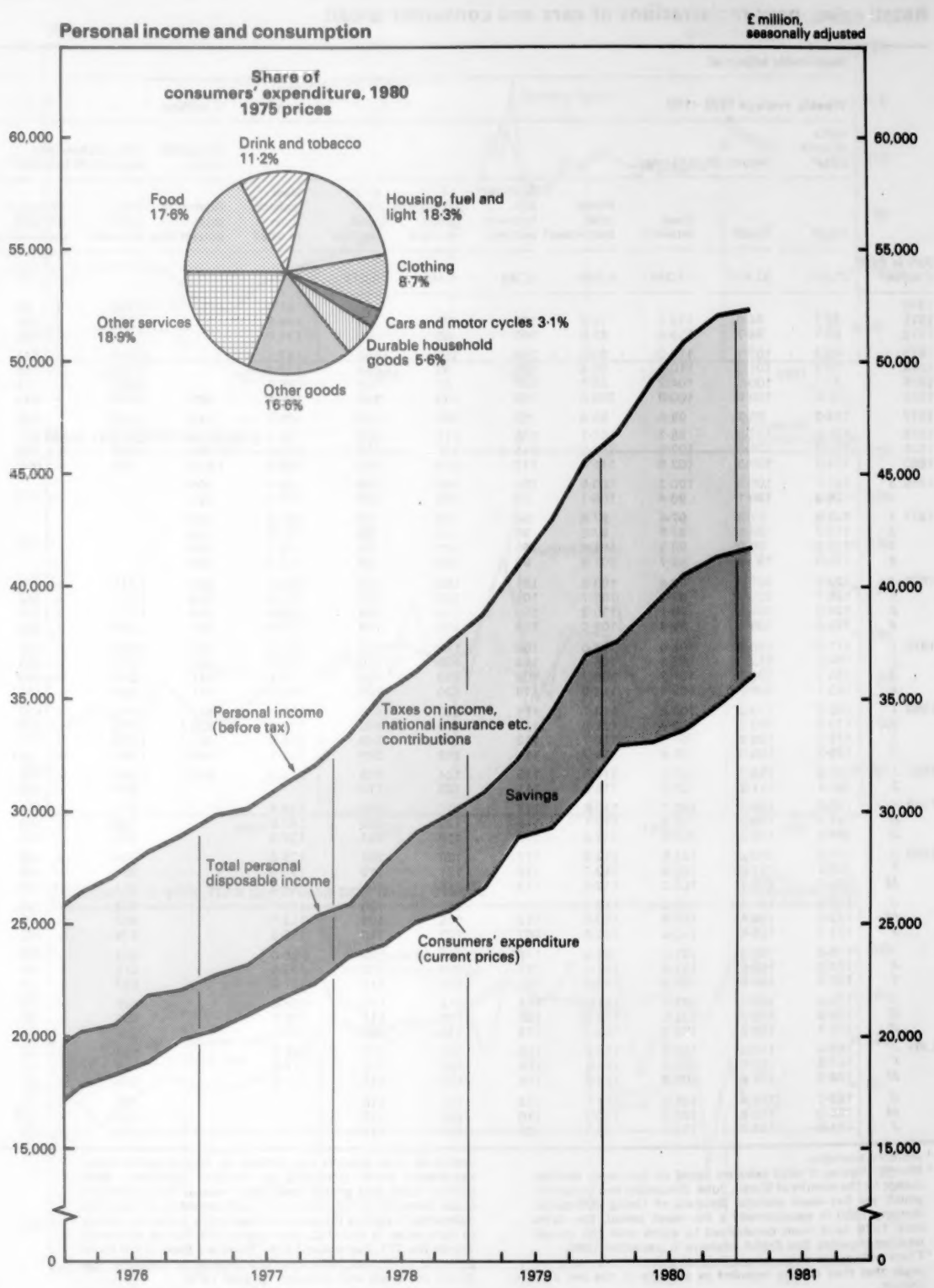
Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1972	63,270	11,988	6,960	8,917	2,854	4,964	2,986	2,811	9,956	11,964
1973	66,332	12,181	7,694	9,181	2,930	5,183	3,396	2,668	10,760	12,339
1974	64,881	12,071	7,777	9,081	2,984	5,109	3,269	1,820	10,840	11,930
1975	64,424	12,036	7,604	9,221	2,914	5,166	3,232	1,810	10,635	11,806
1976	64,642	12,168	7,664	9,240	2,887	5,193	3,414	2,010	10,690	11,376
1977	64,240	12,011	7,460	9,402	2,962	5,234	3,203	1,856	10,771	11,341
1978	68,074	12,282	8,070	9,709	3,014	5,726	3,524	2,372	11,338	12,039
1979	71,270	12,546	8,327	10,062	3,179	6,086	4,004	2,551	11,717	12,798
1980	71,762	12,681	8,055	10,052	3,077	6,218	3,982	2,217	11,918	13,562
1978 *1*	16,748	3,073	1,997	2,401	735	1,366	848	570	2,772	2,986
2	16,844	3,037	1,999	2,386	758	1,416	881	567	2,814	2,986
3	17,210	3,092	2,032	2,447	769	1,470	893	628	2,879	3,000
4	17,272	3,080	2,042	2,475	752	1,474	902	607	2,873	3,067
1979 *1*	17,456	3,075	2,078	2,493	840	1,451	933	596	2,893	3,097
2	18,375	3,157	2,167	2,507	793	1,580	1,165	811	2,989	3,206
3	17,543	3,159	2,009	2,519	778	1,479	916	529	2,901	3,253
4	17,896	3,155	2,073	2,543	768	1,576	990	615	2,934	3,242
1980 *1*	18,444	3,200	2,273	2,544	779	1,608	1,025	654	3,008	3,353
2	17,734	3,218	1,881	2,511	725	1,554	990	530	2,942	3,383
3	17,683	3,121	1,885	2,497	765	1,517	972	533	2,970	3,423
4	17,901	3,142	2,016	2,500	808	1,539	995	500	2,998	3,403
1981 *1*	18,146	3,170	2,132	2,519	714	1,593	1,045	524	3,072	3,377
2										

[1] For the years before 1973 the total differs from the sum of the components because of the method of rebasing to 1975 prices.

Personal income and consumption



Retail sales, new registrations of cars and consumer credit

	Seasonally adjusted										
	Weekly average 1976 =100							Thousands[1]	£ million		
	Value of retail sales[2]	Volume of retail sales[2]							Consumer credit	Hire purchase and other credit business[4]	
	Total[3]	Total[3]	Food retailers[3]	Mixed retail businesses[3]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5]	Change in total outstanding	New credit extended	Change in amounts outstanding[5]
Sale in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,073				
1970	..	..	..	..	..	..	..	91·4	..	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	..	2,036	+ 251
1972	55·7	98·7	115·6	81·5	105	89	96	138·6	..	2,466	+ 438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	..	2,846	+ 444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	..	2,508	− 164
1975	87·1	100·1	104·2	95·7	101	97	101	98·0	..	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	105·4	483	3,586	+ 343
1977	114·2	98·3	98·0	99·6	95	101	97	108·3	743	4,392	+ 625
1978	131·0	103·8	98·3	107·1	106	111	103	129·2	1,429	6,010	+1,491
1979	153·2	108·6	102·0	110·8	111	122	106	138·9	1,798	7,346	+1,780
1980	174·3	109·3	102·8	111·6	112	119	109	120·6	1,559	7,736	+1,092
1976 *3*	101·1	100·3	100·2	100·5	100	101	100	99·1	105	..	..
4	106·3	100·1	98·4	100·1	99	104	100	117·7	184	..	..
1977 *1*	108·5	97·5	97·4	97·8	94	99	98	101·6	146	..	..
2	110·7	96·5	97·6	97·2	90	99	95	101·5	138	..	..
3	116·6	99·0	98·3	101·4	95	101	97	115·3	195	..	..
4	120·9	100·3	98·7	101·9	99	103	99	115·0	264	..	..
1978 *1*	123·7	101·3	98·5	103·5	101	105	100	126·6	387	1,418	+ 446
2	128·1	102·4	97·2	105·7	103	109	102	127·2	314	1,501	+ 382
3	134·3	105·5	98·1	110·2	109	114	103	135·5	364	1,532	+ 329
4	138·0	106·1	99·4	109·0	110	115	106	127·6	364	1,559	+ 334
1979 *1*	141·0	105·8	101·0	107·0	108	116	103	131·3	414	1,635	+ 369
2	154·1	113·0	103·3	105·4	114	134	110	172·9	496	1,877	+ 483
3	154·7	106·6	101·3	108·7	108	116	104	111·1	447	1,875	+ 472
4	163·1	109·1	102·4	112·0	115	120	105	140·3	441	1,959	+ 456
1980 *1*	168·9	110·2	103·2	113·7	115	120	108	139·3	401	2,049	+ 536
2	173·5	109·2	103·7	111·0	111	118	109	114·2	428	1,964	+ 270
3	176·0	108·9	101·5	110·7	112	119	110	116·6	462	1,933	+ 222
4	179·2	109·0	102·6	110·7	111	119	109	112·1	368	1,793†	+ 65†
1981 *1*	187·6	112·7	103·2	116·5	115	124	115	115·3	609	1,884	+ 151
2	190·4	111·3	101·6	114·6	111	125	114			1,936	+ 123
1979 *O*	160·0	108·2	102·1	110·8	113	118	105	140·4	..	672	+ 162
N	164·4	110·2	102·5	112·1	119	123	106	143·6	..	668	+ 190
D	164·5	108·8	102·6	112·8	113	118	104	136·9	..	619	+ 104
1980 *J*	166·5	110·2	101·8	114·9	117	120	107	129·6	..	694	+ 149
F	169·7	111·0	103·9	113·7	116	121	110	133·2	..	694	+ 198
M	170·7	109·7	104·2	112·5	113	118	108	155·2	..	661	+ 189
A	172·3	109·6	104·0	112·3	114	117	108	109·7	..	682	+ 106
M	172·6	108·4	103·9	110·0	112	115	108	113·1	..	607	+ 58
J	175·1	109·5	103·4	110·8	107	123	110	119·9	..	675	+ 106
J	175·0	108·5	101·1	109·5	114	119	109	85·0	..	663	+ 106
A	176·8	109·6	101·8	112·0	117	118	110	133·6	..	613	+ 54
S	176·3	108·5	101·6	110·5	107	120	111	131·2	..	657	+ 62
O	179·0	109·7	103·1	111·3	113	119	111	108·5	..	629	+ 75
N	179·2	109·2	102·5	112·2	108	119	111	115·7	..	559	− 44
D	179·4	108·4	102·3	109·1	113	120	107	112·1	..	605	+ 34
1981 *J*	188·4	114·0	102·6	119·9	116	126	117	116·2	..	620	+ 80
F	187·8	112·9	102·9	116·6	115	125	116	111·9	..	638	+ 47
M	186·9	111·4	103·9	113·6	114	123	112	117·8	..	626	+ 24
A	189·1	111·4	102·0	117·1	114	117	116			655	+ 37
M	189·8	110·6	101·3	112·7	110	126	113			607†	+ 11†
J	191·8	111·7	101·4	114·2	109	130	114			674	+ 75

[1] Monthly averages.

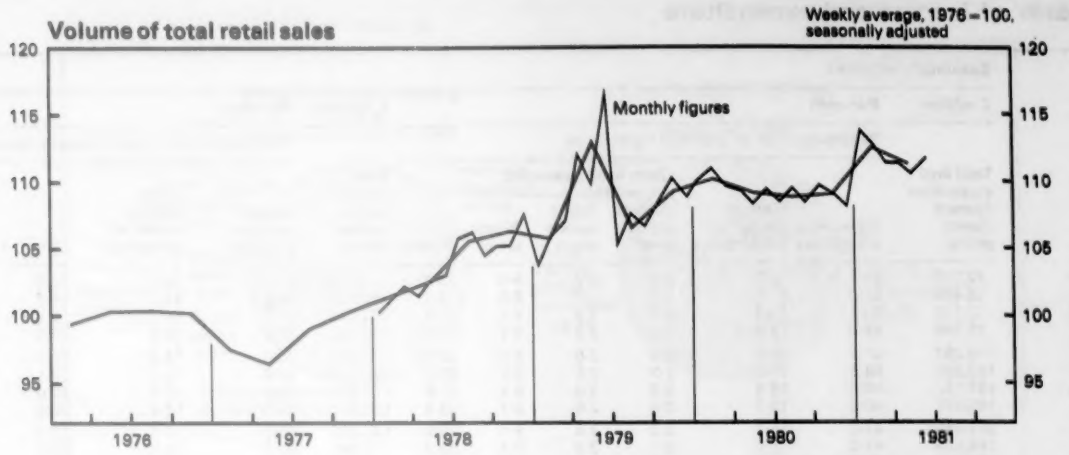
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The series from 1976 have been constrained to agree with the annual retailing inquiries. See *British business*, 5 December 1980.

[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

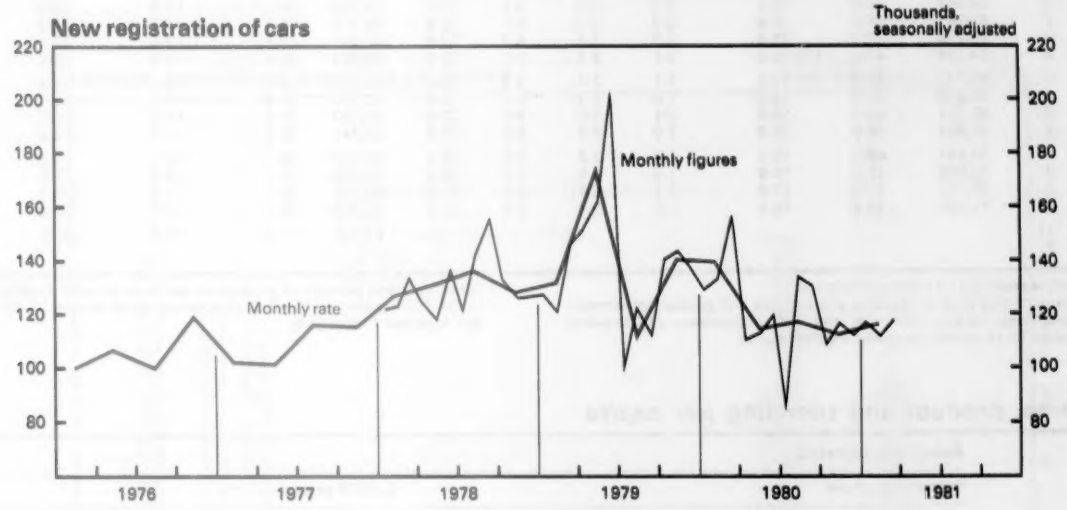
[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

[5] Including further interest payments due over the whole period of the loans.

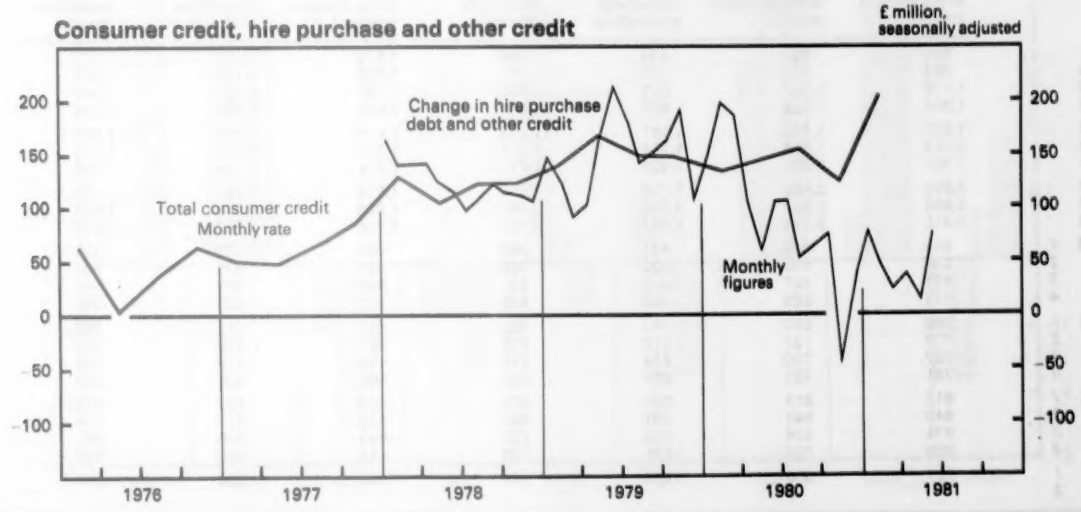
Volume of total retail sales



New registration of cars



Consumer credit, hire purchase and other credit



Shares of income and expenditure

		Seasonally adjusted										
		£ million	Per cent						£ million	Per cent		
			Percentage share of total final expenditure							Percentage share of total domestic income		
		Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1, 2]
1970		62,210	51·1	14·5	3·9	2·7	8·6	18·6	45,112	67·7	13·4	18·9
1971		69,484	51·2	14·8	3·7	2·7	8·8	18·7	50,082	66·8	13·8	19·4
1972		77,175	52·1	15·1	3·5	2·3	9·2	17·7	57,198	66·1	14·1	19·8
1973		91,949	49·8	14·6	4·0	2·2	9·2	18·6	68,137	64·2	15·2	20·6
1974		110,253	47·6	15·0	4·0	2·6	8·8	20·9	80,014	66·3	13·3	20·4
1975		133,392	48·3	17·3	3·7	2·9	8·6	20·3	99,042	68·8	12·1	19·1
1976		161,167	46·4	16·6	3·3	2·9	8·4	21·8	115,870	66·9	13·1	20·0
1977		185,592	46·0	15·7	2·6	2·6	8·7	23·4	129,816	65·9	13·9	20·2
1978		209,456	47·0	15·7	2·2	2·4	9·6	22·6	147,890	66·0	13·7	20·3
1979		244,923	47·2	15·6	2·1	2·3	9·4	22·3	173,381	65·7	14·5	19·8
1980		280,808	47·9	17·1	2·0	2·4	9·5	22·3	199,025	67·7	12·3	20·0
1978	*1*	50,040	47·0	15·8	2·4	2·3	9·8	22·5	34,788	66·1	13·9	20·0
	2	51,763	46·6	15·6	2·2	2·4	9·7	22·8	36,835	65·5	14·3	20·2
	3	53,275	47·1	15·6	2·2	2·3	9·5	22·6	37,615	66·1	13·5	20·4
	4	54,378	47·1	15·9	2·1	2·3	9·5	22·7	38,652	66·4	13·4	20·2
1979	*1*	55,772	47·8	15·8	2·1	2·4	9·3	20·8	39,923	66·5	13·1	20·4
	2	60,626	47·6	15·3	1·9	2·2	9·2	23·3	42,750	64·9	15·2	19·9
	3	62,721	46·7	15·9	2·1	2·3	9·3	22·4	44,267	65·8	14·6	19·6
	4	65,804	46·9	15·5	2·0	2·2	9·8	22·6	46,441	65·7	14·8	19·5
1980	*1*	68,457	48·2	15·9	1·9	2·3	9·6	23·0	48,516	65·1	15·1	19·8
	2	69,959	47·3	16·6	1·9	2·5	9·3	22·5	49,348	67·5	13·0	19·5
	3	70,767	47·6	17·8	1·9	2·5	9·5	21·9	50,181	69·2	10·6	20·2
	4	71,625	48·6	18·1	2·0	2·4	9·4	21·9	50,980	68·9	10·5	20·6
1981	*1*[3]	..	..	..	..	..	..	..	51,945	67·8	11·6	20·6
	2											

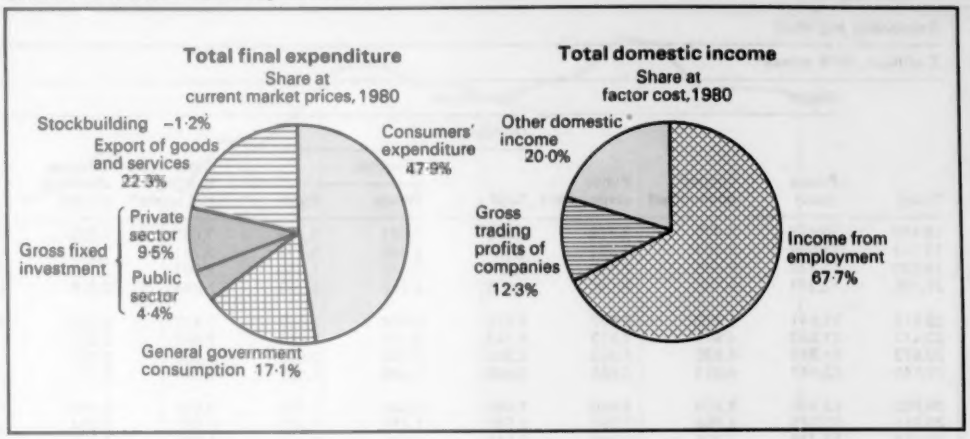
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.
[3] It has not been possible to produce an estimate for total expenditure in Q1 1981 owing to the lack of overseas trade figures for March. See footnote [3] on page 6.

Income, product and spending *per capita*

		Seasonally adjusted						
		£, current prices				£, 1975 prices		
		Gross national product[1]	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income
1971		896	887	639	692	1,672	1,072	1,160
1972		999	990	719	787	1,588	1,132	1,254
1973		1,170	1,147	817	925	1,705	1,185	1,341
1974		1,354	1,329	937	1,084	1,688	1,158	1,339
1975		1,692	1,678	1,151	1,318	1,678	1,151	1,318
1976		2,013	1,988	1,336	1,515	1,744	1,155	1,310
1977		2,257	2,255	1,529	1,713	1,764	1,149	1,286
1978		2,595	2,582	1,760	2,017	1,816	1,218	1,396
1979		2,954	2,938	2,068	2,407	1,828	1,274	1,483
1980		3,412	3,412	2,404	2,833	1,796	1,282	1,510
1978	*1*	619	617	421	465	449	300	331
	2	644	640	432	496	456	301	347
	3	661	657	449	521	454	308	357
	4	671	668	458	535	457	309	361
1979	*1*	688	680	477	552	451	312	362
	2	728	727	516	579	463	328	368
	3	757	750	524	615	454	314	368
	4	781	781	551	661	460	320	384
1980	*1*	812	811	590	671	457	329	375
	2	840	841	591	697	449	317	374
	3	874	874	602	725	446	316	381
	4	886	886	621	740	444	320	380
1981	*1*	907	906	644	745	445	324	375
	2							

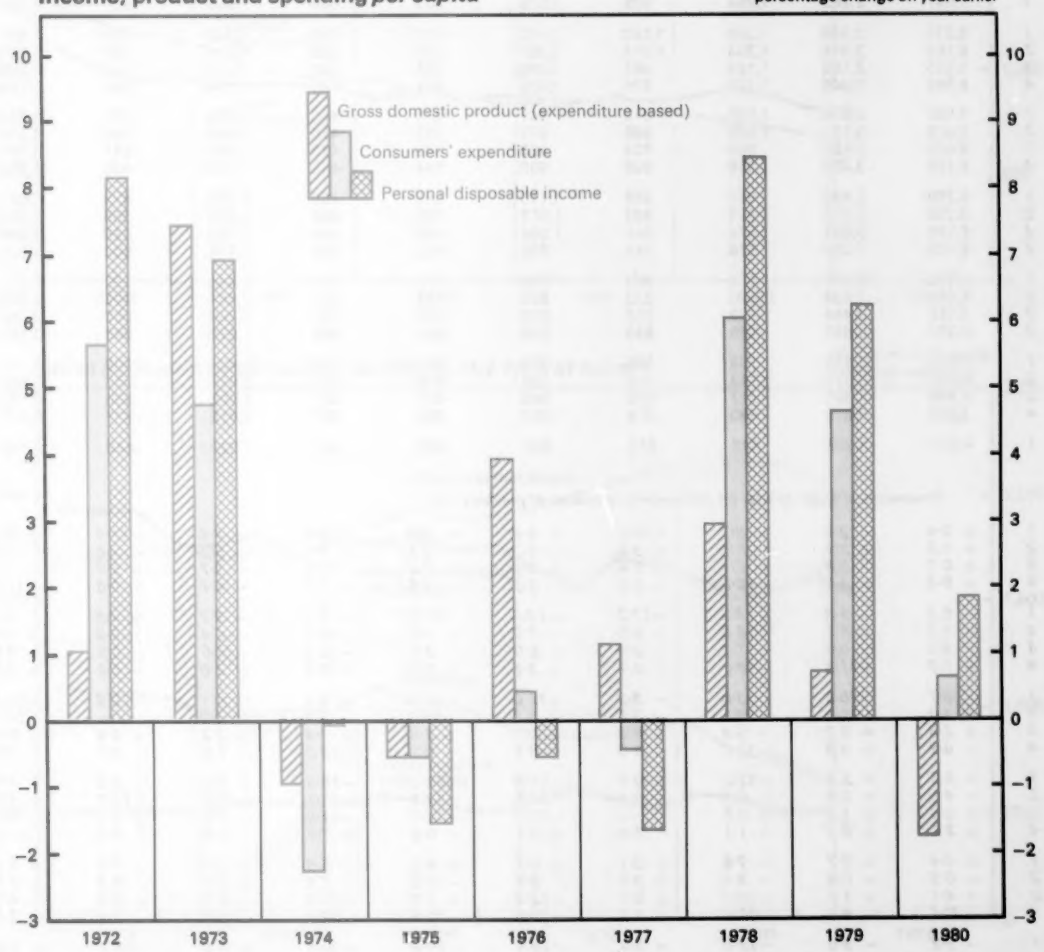
[1] At factor cost.
[2] Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*

1975 prices, percentage change on year earlier



16

Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

		Sector[2]			Type of asset					
					Dwellings					
						of which:		Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
	Total§	Private sector	General government	Public corporations	Total	Private	Public			
1970	19,460	10,685	5,475	3,316	3,850	2,047	1,879	7,655	1,819	6,365
1971	19,743	11,099	5,297	3,334	4,091	2,440	1,733	7,781	1,882	6,264
1972	19,823	11,776	5,076	2,932	4,309	2,745	1,609	7,607	2,148	6,055
1973	21,195	12,267	5,793	3,135	4,152	2,449	1,703	7,852	2,416	6,775
1974	20,616	11,641	5,418	3,557	3,826	2,004	1,822	7,475	2,326	6,989
1975	20,417	11,530	4,974	3,913	4,146	2,182	1,964	7,547	2,039	6,685
1976	20,673	11,810	4,820	4,043	4,263	2,180	2,083	7,529	2,023	6,858
1977	20,145	12,447	4,013	3,685	3,900	2,039	1,861	7,041	2,152	7,052
1978	20,853	13,814	3,559	3,480	4,065	2,330	1,735	7,041	2,169	7,578
1979	20,541	13,785	3,359	3,397	3,536	1,975	1,561	6,591	2,284	8,130
1980	20,123	13,739	2,919	3,465	3,121	1,711	1,410	6,280	2,217	8,505
1975 1	5,112	2,916	1,239	957	1,006	539	467	1,861	562	1,683
2	5,086	2,846	1,306	934	1,082	566	516	1,811	493	1,700
3	5,178	2,986	1,165	1,027	985	544	441	1,995	481	1,717
4	5,041	2,782	1,264	995	1,073	533	540	1,880	503	1,585
1976 1	5,232	2,846	1,284	1,102	1,100	570	530	1,943	498	1,691
2	5,164	2,916	1,234	1,014	1,057	531	526	1,910	506	1,691
3	5,215	3,100	1,164	951	1,068	565	503	1,922	513	1,712
4	5,062	2,948	1,138	976	1,038	514	524	1,754	506	1,764
1977 1	4,901	2,896	1,092	913	941	445	496	1,754	522	1,684
2	5,079	3,151	1,000	928	977	507	470	1,806	556	1,740
3	5,009	3,120	965	924	983	543	440	1,691	541	1,794
4	5,156	3,280	956	920	999	544	455	1,790	533	1,834
1978 1	5,299	3,493	950	856	1,110	641	469	1,753	579	1,857
2	5,298	3,506	899	893	1,013	588	425	1,803	556	1,926
3	5,148	3,407	875	866	1,004	558	446	1,729	525	1,890
4	5,108	3,408	835	865	938	543	395	1,756	509	1,905
1979 1	5,005	3,309	834	862	856	473	383	1,646	560	1,943
2	5,058	3,405	820	833	865	483	382	1,564	625	2,004
3	5,191	3,446	879	866	876	479	397	1,706	557	2,052
4	5,287	3,625	826	836	939	540	399	1,675	542	2,131
1980 1	5,227	3,595	769	863	905	500	405	1,602	600	2,120
2	5,032	3,377	743	912	780	419	361	1,511	582	2,159
3	4,980	3,391	717	872	769	432	337	1,555	508	2,148
4	4,884	3,376	690	818	667	360	307	1,612	527	2,078
1981 1	4,747	3,308	623	816	646	396	250	1,529	440	2,132
	Percentage change, quarter on corresponding quarter of previous year									
1976 1	+ 2·4	− 2·4	+ 3·7	+15·1	+ 9·4	+ 5·8	+13·5	+ 4·4	−11·4	+ 0·5
2	+ 1·5	+ 2·4	− 5·5	+ 8·6	− 2·3	− 5·2	+ 1·9	+ 5·5	+ 2·6	− 0·6
3	+ 0·7	+ 3·8	− 0·1	− 7·4	+ 8·4	+ 3·9	+14·1	− 3·7	+ 6·7	− 0·3
4	+ 0·4	+ 6·0	−10·0	− 1·9	− 3·3	− 3·6	− 3·0	− 6·7	+ 0·6	+11·3
1977 1	− 6·3	+ 1·8	−14·9	−17·2	−14·4	−21·9	− 6·4	− 9·7	+ 4·8	− 0·4
2	− 1·7	+ 8·1	−19·0	− 8·5	− 7·6	− 4·5	−10·7	− 5·4	+ 9·9	+ 2·9
3	− 4·0	+ 0·6	−17·1	− 2·8	− 8·0	− 3·9	−12·5	−12·0	+ 5·5	+ 4·8
4	+ 1·9	+11·2	−16·0	− 5·7	− 3·7	+ 5·8	−13·2	+ 2·0	+ 5·3	+ 3·9
1978 1	+ 8·1	+20·6	−13·0	− 6·2	+18·0	+44·0	− 5·4	− 0·1	+10·9	+10·3
2	+ 4·3	+11·3	−10·1	− 3·8	+ 3·7	+16·0	− 9·6	− 0·2	—	+10·7
3	+ 2·8	+ 9·2	− 9·3	− 6·3	+ 2·1	+ 2·8	+ 1·4	+ 2·3	− 2·9	+ 5·3
4	− 0·9	+ 3·9	−12·7	− 6·0	− 6·1	− 0·2	−13·2	− 1·9	− 4·5	+ 3·9
1979 1	− 5·5	− 5·3	−12·2	+ 0·7	−22·9	−26·2	−18·3	− 6·1	− 3·3	+ 4·6
2	− 4·5	− 2·9	− 8·8	− 6·7	−14·6	−17·9	−10·1	−13·3	+12·4	+ 4·0
3	+ 0·8	+ 1·2	+ 0·5	—	−12·7	−14·2	−11·0	− 1·3	+ 6·1	+ 8·6
4	+ 3·5	+ 6·4	− 1·1	− 3·4	+ 0·1	− 0·5	+ 1·0	− 4·6	+ 6·5	+11·9
1980 1	+ 4·4	+ 8·7	− 7·8	+ 0·1	+ 5·7	+ 5·7	+ 5·8	− 2·7	+ 7·2	+ 9·1
2	− 0·5	− 0·8	− 9·4	+ 9·5	− 9·8	−13·3	− 5·5	− 3·4	− 6·9	+ 7·7
3	− 4·1	− 1·6	−18·4	+ 0·7	−12·2	− 9·8	−15·1	− 8·8	− 8·8	+ 4·7
4	− 7·6	− 6·9	−16·5	− 2·2	−29·0	−33·3	−23·1	− 3·8	− 2·8	− 2·5
1981 1	− 9·2	− 8·0	−19·0	− 5·4	−28·6	−20·8	−38·3	− 4·6	−26·7	+ 0·6

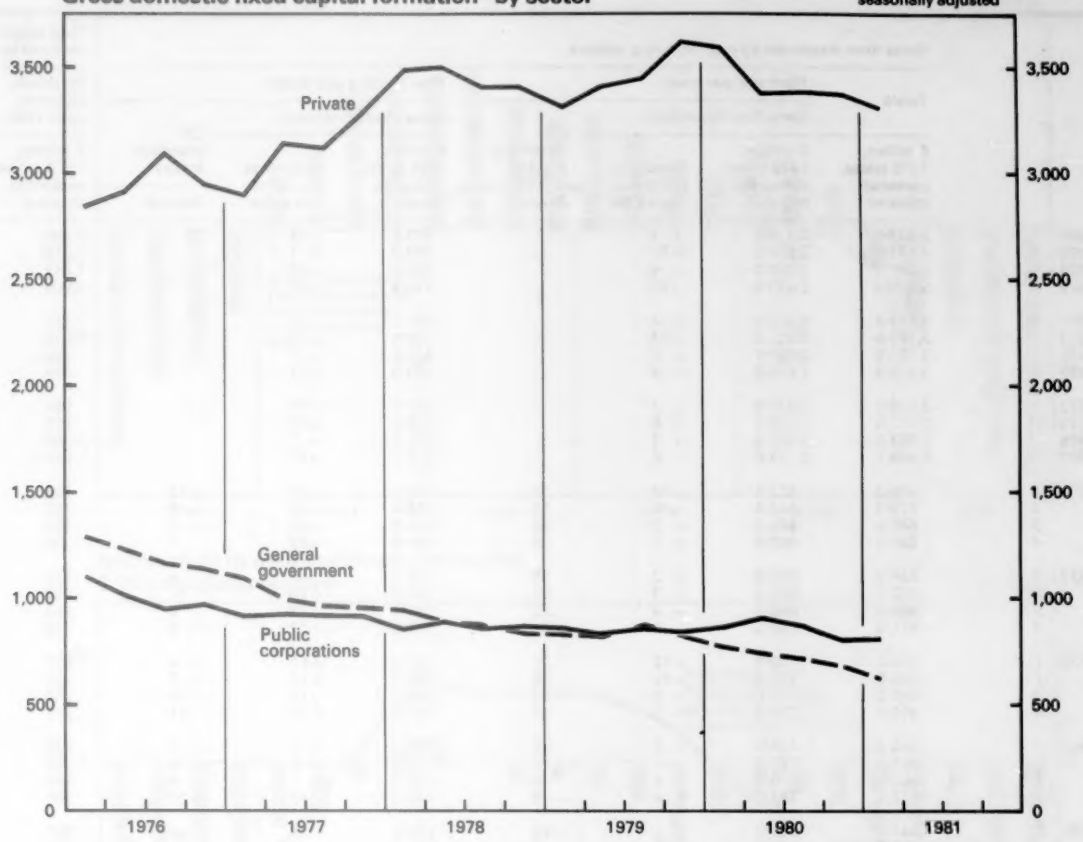
[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

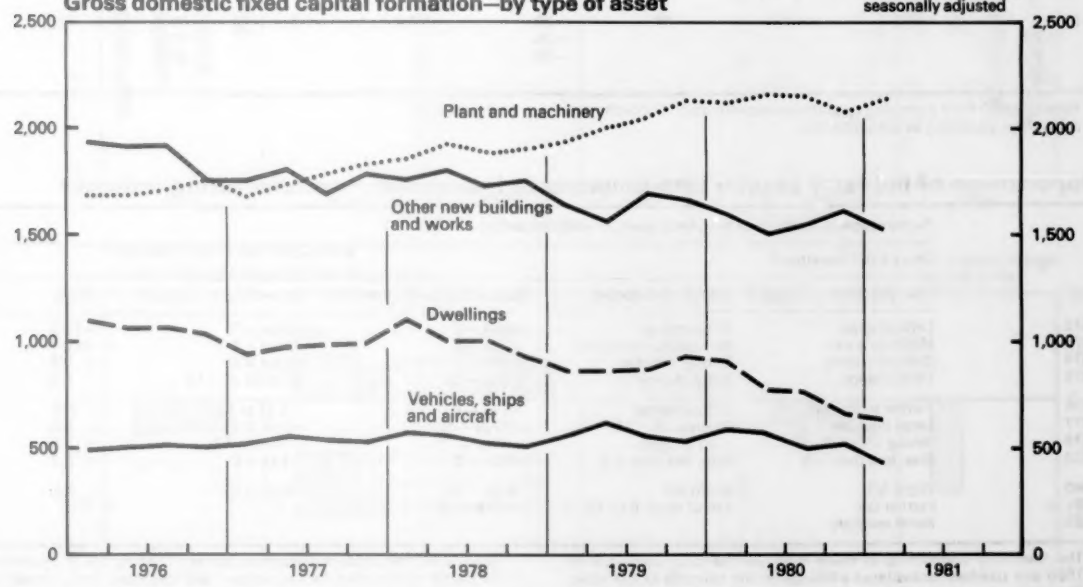
Gross domestic fixed capital formation—by sector

£ million, 1975 prices, seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million, 1975 prices, seasonally adjusted



Indicators of fixed investment by manufacturing industry

		Gross fixed investment by manufacturing industry							New orders received by contractors for private industrial work (GB)
		Total§	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969		3,877·0	2,679·5	*+ 4*	..	973·6	*+16*	..	1,507
1970		4,177·0	2,974·2	*+11*	..	980·8	*+ 1*	..	1,410
1971		3,897·7	2,795·3	*− 6*	..	880·4	*−10*	..	1,012
1972		3,370·4	2,420·4	*−13*	..	710·6	*−19*	..	1,003
1973		3,439·8	2,505·3	*+ 4*	..	674·4	*− 5*	..	1,287
1974		3,781·8	2,821·3	*+13*	..	686·9	*+ 2*	..	1,076
1975		3,521·9	2,682·1	*− 5*	..	639·9	*− 7*	..	684
1976		3,325·8	2,584·5	*− 4*	..	503·5	*−21*	..	797
1977		3,509·5	2,675·7	*+ 4*	..	557·9	*+11*	..	955
1978		3,772·9	2,914·7	*+ 9*	..	630·6	*+13*	..	998
1979		3,873·0	3,005·4	*+ 3*	..	621·7	*− 1*	..	1,009
1980		3,499·1	2,773·5	*− 8*	..	515·1	*−17*	..	854†
1976	*1*	809·2	622·1	*−13*	10	133·3	*−25*	−12	181
	2	825·9	642·4	*− 7*	15	124·0	*−26*	− 9	190
	3	840·4	654·4	*+ 2*	25	124·6	*−20*	− 3	192
	4	850·3	665·6	*+ 5*	26	121·6	*−13*	1	234
1977	*1*	836·7	635·5	*+ 2*	29	133·2	—	4	215
	2	872·7	660·4	*+ 3*	31	141·0	*+14*	—	256
	3	888·6	680·0	*+ 4*	23	140·9	*+13*	− 4	244
	4	911·5	699·8	*+ 5*	21	142·8	*+17*	− 3	240
1978	*1*	918·3	709·0	*+12*	21	147·4	*+11*	− 4	277
	2	959·5	746·3	*+13*	18	155·3	*+10*	− 7	254
	3	942·2	722·8	*+ 6*	13	160·3	*+14*	−15	256
	4	952·9	736·6	*+ 5*	10	167·6	*+17*	−11	211
1979	*1*	964·4	744·5	*+ 5*	12	160·6	*+ 9*	− 7	239
	2	962·4	747·2	—	12	153·8	*− 1*	− 6	257
	3	969·1	750·4	*+ 4*	8	158·7	*− 1*	− 9	244
	4	977·1	763·3	*+ 4*	− 9	148·6	*−11*	−20	269
1980	*1*	944·7	750·6	*+ 1*	−18	130·4	*−19*	−30	221
	2	898·2	710·5	*− 5*	−18	134·2	*−13*	−31	222†
	3	871·2	689·0	*− 8*	−43	130·1	*−18*	−47	204
	4	785·0	623·5	*−18*	−46	120·4	*−19*	−49	206
1981	*1*	758·3	605·1	*−19*	−38	119·4	*− 8*	−46	158
	2				−30			−40	
	3				−23			−35	
	4								

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

[2] Provisional.

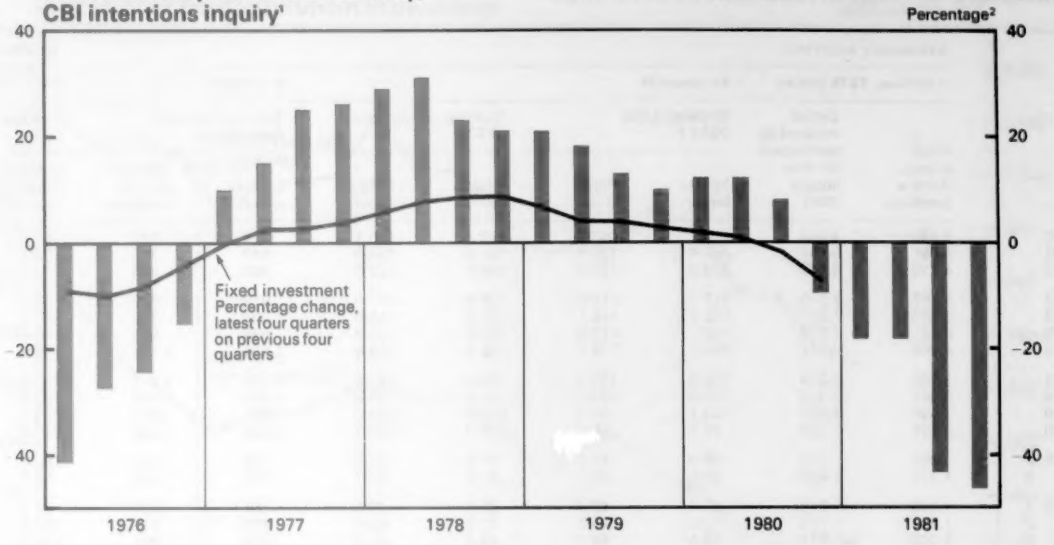
Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms				
	Gross fixed investment				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1972	Little change	Little change	About −3	About −3	−13·5
1973	Might be a rise	No specific comment	+2 to +5	About +5	+ 2·1
1974	Strong increase	Strong increase	some +12 to +14	About +5	+ 9·9
1975	Little change	Little change	−7 to −10	Of order of −15	− 6·9
1976	Further reduction	Little change	−5 to −8	−6 (5 to 8)	− 5·6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+ 5·5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+ 7·5
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+ 2·7
1980	Slight fall	Slight fall	−6 to −10	−8 to −12	− 8·2
1981	Further fall	Fall of up to 8 to 12	−15 to −20		
1982	Some recovery				

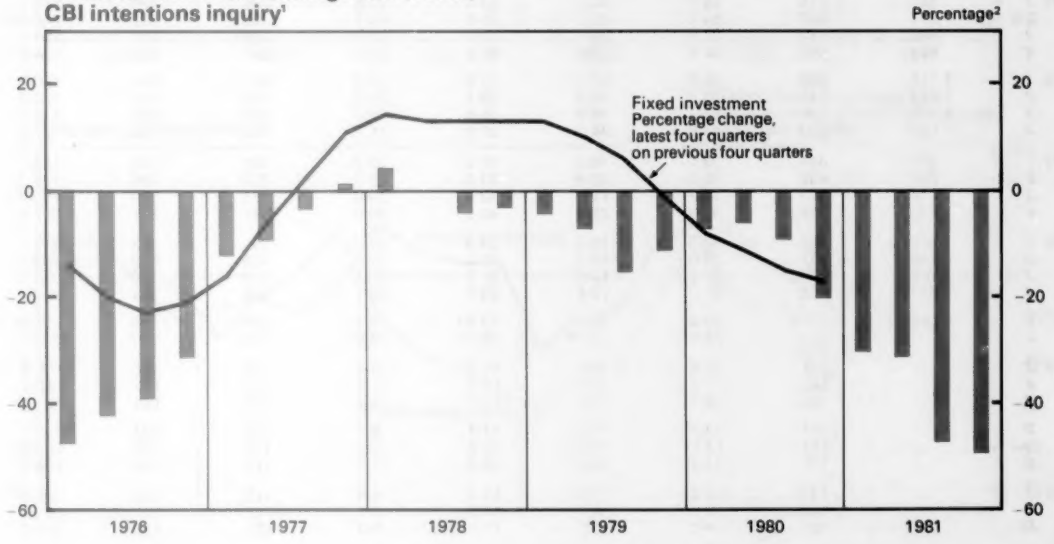
[1] The frequency and timing of these inquiries has been altered from 1980 and this has necessitated a change in the columns of the table. The summer forecasts which previously appeared have been discontinued and the table now gives information for all the remaining inquiries.

An article, "Investment intentions survey: 1968 to 1979", published in *British business* on 24 September 1980 describes these alterations and expands the table to include all the inquiries. A similar table is included for the inquiries into the distributive and service industries.

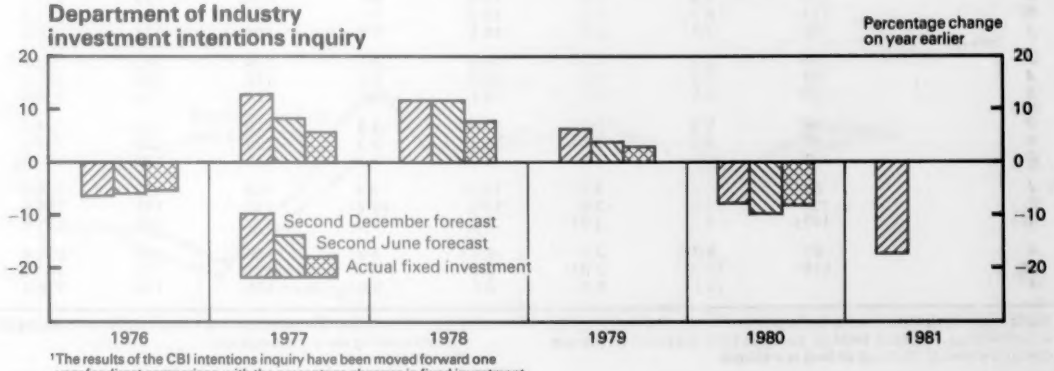
Investment in plant and machinery, CBI intentions inquiry[1]



Investment in new buildings and works, CBI intentions inquiry[1]



Department of Industry investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1975 prices		Thousands				£ million		1975 =100
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
				Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	
1970		3,850	3,093	165·1	153·8	170·3	180·1	619	510	41·8
1971		4,091	3,147	207·4	136·9	191·6	158·9	840	713	48·1
1972		4,309	3,507	228·0	123·0	196·5	122·8	964	862	63·3
1973		4,152	3,320	215·7	112·8	186·6	107·5	816	903	86·2
1974		3,826	2,224	105·9	146·1	140·9	128·6	704	700	91·4
1975		4,146	2,663	149·1	173·8	150·8	162·3	994	945	100·0[2]
1976		4,263	2,712	154·7	170·8	152·2	163·0	1,119	1,125	108·4
1977		3,900	2,214	134·8	132·1	140·8	162·5	1,261	1,175	119·0
1978		4,065	2,316	157·3	107·4	149·0	130·8	1,523	1,503	142·6
1979		3,536	1,901	144·1	81·5	138·2	104·0	1,498	1,519	183·2
1980		3,121	1,322	97·4	56·1	125·9	106·7	1,444	1,406	219·6
1975	3	985	702	38·0	43·9	37·6	42·5	248	242	102·1
	4	1,073	726	40·6	50·7	37·8	42·7	271	249	102·7
1976	1	1,100	813	42·0	49·8	39·4	40·6	293	261	104·3
	2	1,057	703	42·0	44·3	37·8	42·4	295	294	107·9
	3	1,068	627	39·3	44·3	38·3	41·5	272	291	110·3
	4	1,038	569	31·4	32·4	36·7	38·5	259	279	111·5
1977	1	941	514	29·9	30·3	33·8	37·5	246	259	112·7
	2	977	558	34·7	32·7	36·0	40·3	298	269	116·6
	3	983	552	35·3	34·6	34·8	41·8	326	308	120·5
	4	999	590	34·9	34·5	36·5	42·9	391	339	124·5
1978	1	1,110	606	35·5	27·2	37·8	33·8	421	380	130·5
	2	1,013	586	39·6	30·0	38·1	33·2	369	403	138·0
	3	1,004	586	38·3	26·0	35·8	32·4	354	355	148·2
	4	938	538	43·9	24·2	37·3	31·4	379	365	157·6
1979	1	856	444	28·0	18·2	31·2	23·2	381	375	166·1
	2	865	499	35·5	20·9	33·8	25·3	378	384	178·2
	3	876	512	38·1	19·9	32·9	24·8	378	389	190·6
	4	939	446	42·5	22·5	40·3	30·7	361	371	201·8
1980	1	905	402	30·0	18·2	34·0	27·8	351	363	211·1
	2	780	331	25·0	14·3	31·2	27·0	338	339	219·3
	3	769	297	21·2	13·2	31·2	26·8	369	340	223·4
	4	667	292	21·2	10·4	29·5	25·1	386	364	225·1
1981	1	646	321†	32·3†	8·7†	29·9†	28·3†	384	379	229·8[4]†
	2			29·6[3]	8·7[3]	26·1[3]	24·0[3]	378	377	230·7
1979	J	..	191	12·5	6·9	10·7	8·3	133	134	186·4
	A	..	163	11·3	6·7	10·1	7·8	125	132	192·7
	S	..	158	14·3	6·3	12·1	8·7	120	123	193·3
	O	..	154	14·3	5·4	11·7	9·1	125	132	199·1
	N	..	142	14·0	6·8	13·2	9·9	121	123	202·6
	D	..	150	14·2	10·3	15·4	11·7	115	116	204·4
1980	J	..	130	10·3	5·8	11·4	9·4	115	122	208·3
	F	..	141	10·7	6·7	11·5	9·1	115	121	209·1
	M	..	131	9·0	5·7	11·1	9·3	121	120	215·0
	A	..	119	8·6	4·6	10·4	8·1	123	112	217·7
	M	..	117	8·7	5·6	10·2	9·1	111	111	221·2
	J	..	95	7·7	4·1	10·6	9·8	104	116	218·9
	J	..	98	7·2	4·3	10·6	9·1	124	112	222·2
	A	..	104	7·5	4·2	10·5	9·0	121	116	223·1
	S	..	95	6·5	4·7	10·1	8·7	124	112	224·9
	O	..	96	6·8	3·7	10·0	8·6	119	118	224·7
	N	..	96	8·0	3·8	10·1	8·3	128	120	225·0
	D	..	100	6·4	2·9	9·4	8·2	139	126	225·6
1981	J	..	89	10·8†	3·2	10·3†	8·4	112	122	226·6[4]
	F	..	126	12·2	3·0	10·0	10·7†	135	131	230·6
	M	..	107†	9·3	2·5†	9·6	9·2	137	126	231·6
	A	..	87[3]	8·7[3]	2·9	8·6[3]	8·0[3]	129	127	232·4
	M	..	114[3]	10·8[3]	2·9[3]	8·9[3]	8·0[3]	121	121	231·2
	J	..		10·1[3]	2·9[3]	8·6[3]	8·0[3]	128	129	228·6

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

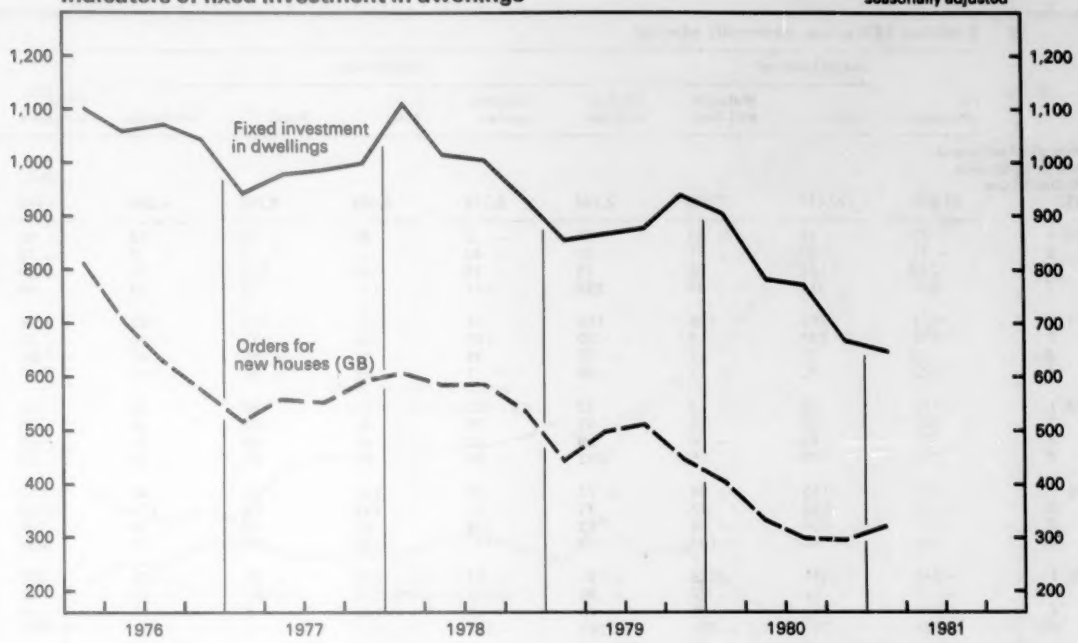
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

[3] Provisional.

[4] Figures are based on a new return introduced in January 1981.

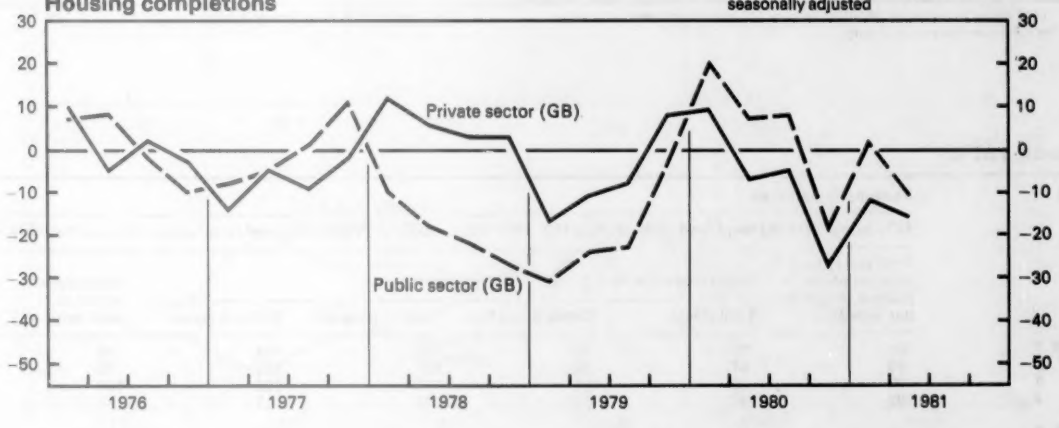
Indicators of fixed investment in dwellings

£ million, 1975 prices seasonally adjusted



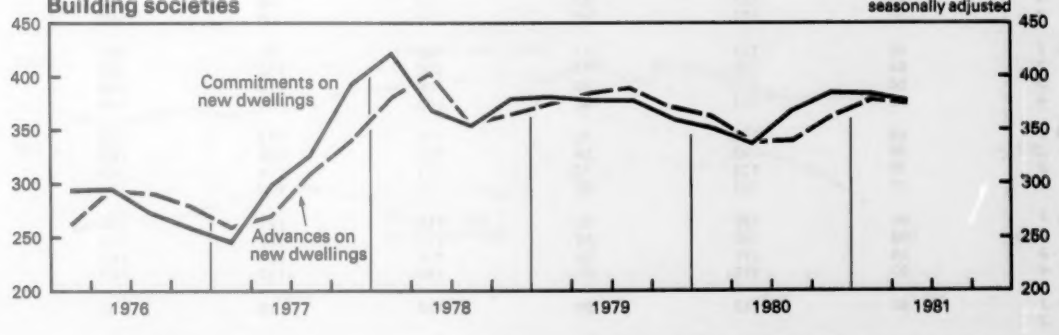
Housing completions

Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted



Building societies

£ million seasonally adjusted



Stock changes

£ million, 1975 prices, seasonally adjusted

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1979[2]	36,650	20,111	7,208	7,184	5,719	9,092	4,243	4,849	7,447
1976 *1*	− 20	− 43	− 63	23	− 3	65	45	20	− 42
2	− 71	− 60	− 51	39	− 48	—	− 3	3	− 11
3	270	152	93	79	− 19	182	112	70	− 64
4	475	314	49	124	141	112	74	38	49
1977 *1*	509	253	123	116	14	222	119	103	34
2	476	224	8	30	186	268	32	236	− 16
3	3	11	2	− 27	36	− 91	− 51	− 40	83
4	322	92	− 3	95	− 1	85	− 28	113	145
1978 *1*	176	73	− 2	13	62	73	39	34	30
2	303	85	− 34	43	75	93	141	− 48	125
3	202	69	− 8	36	42	87	66	21	46
4	144	108	26	152	− 70	60	82	− 22	− 24
1979 *1*	751	−115	− 94	− 77	55	147	87	60	719
2	103	153	97	77	− 22	192	63	129	−242
3	377	204	− 5	82	128	67	95	− 28	106
4	347	− 76	−103	−149	177	193	176	17	230
1980 *1*	−348	−471	−228	−181	− 62	−195	− 80	−115	318
2	−137	61	− 32	− 30	123	−236	−157	− 79	38
3	−448	−279	−188	− 45	− 46	−103	8	−111	− 66
4	−988	−707	−254	−188	−265	−102	5	−107	−179
1981 *1*	−951	−601	−195	−164	−242	126	146	− 20	−476
2									

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

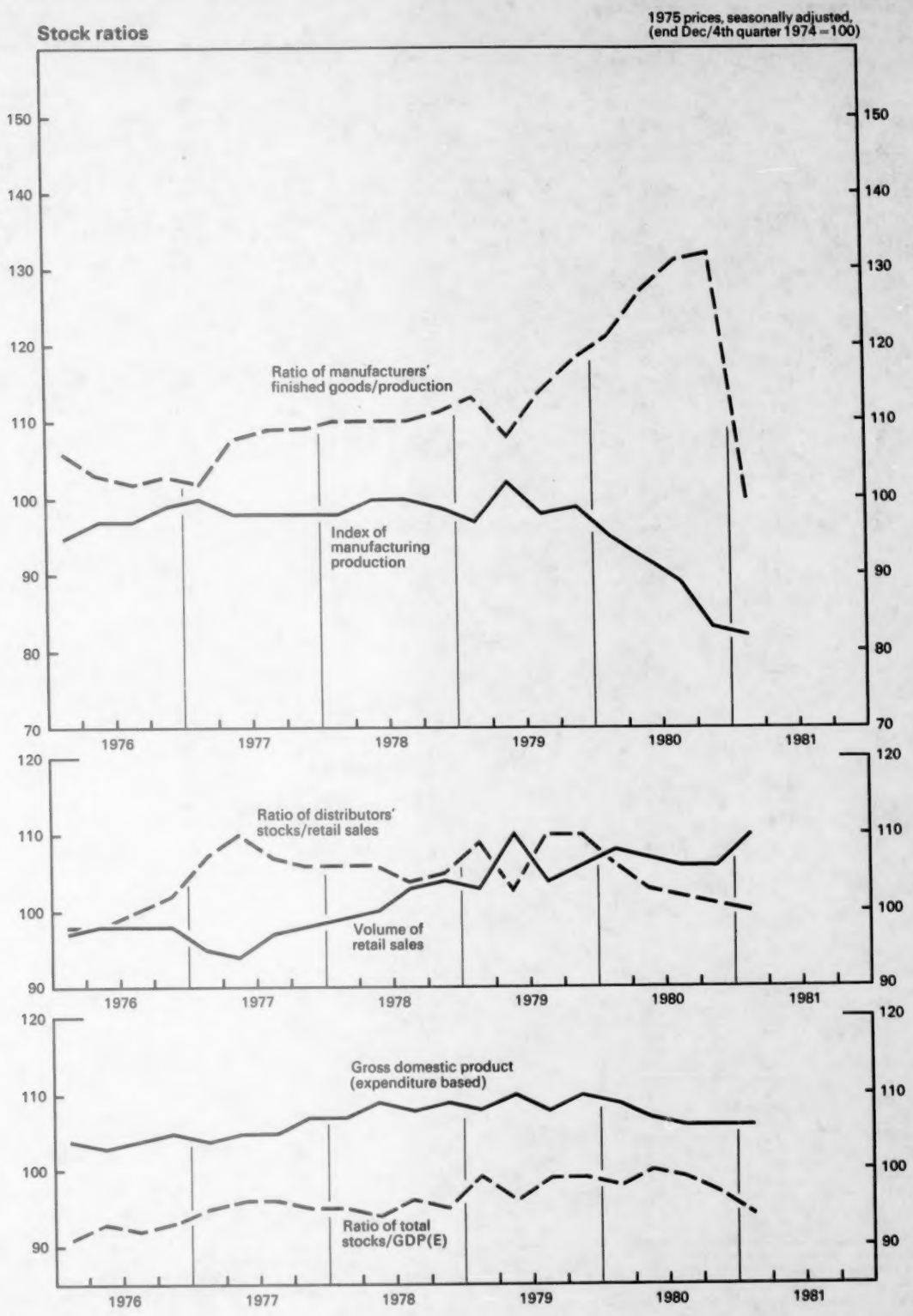
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1976 *1*	91	99	92	102	106	98
2	93	97	90	101	103	98
3	92	98	91	102	102	100
4	93	97	90	102	103	102
1977 *1*	95	97	90	102	102	107
2	96	100	92	105	108	110
3	96	101	93	105	109	107
4	95	101	92	106	109	106
1978 *1*	95	102	92	106	110	106
2	94	100	90	105	110	106
3	96	100	90	105	110	104
4	95	102	92	109	111	105
1979 *1*	99	103	92	109	113	109
2	96	99	89	108	108	103
3	99	104	92	111	114	110
4	99	103	90	108	118	110
1980 *1*	98	105	91	110	121	106
2	100	108	93	112	127	103
3	99	111	94	116	131	102
4	97	113	97	119	132	101
1981 *1*	94	112	95	120	129	100
2						


Stock ratios
1975 prices, seasonally adjusted,
(end Dec/4th quarter 1974 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1976
1977
1978
1979
1980
1981

Inland energy consumption

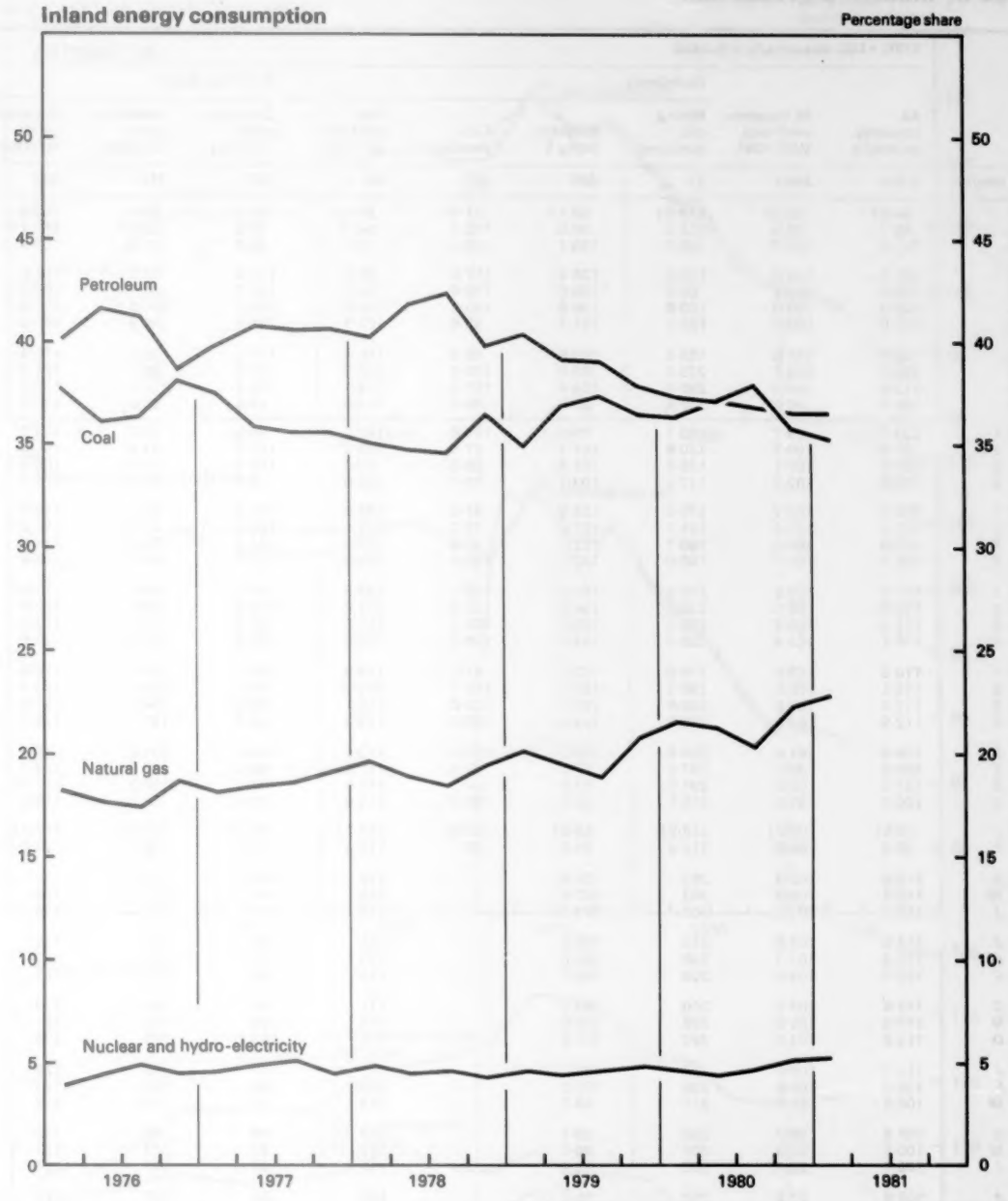
Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]
1969		323·0	162·8	138·4	9·4	10·7	1·7	200·5
1970		336·3	156·8	149·8	17·8	9·5	2·4	211·6
1971		332·9	140·0	152·4	28·8	9·9	1·8	215·9
1972		337·4	121·8	162·2	41·0	10·6	1·8	224·1
1973		354·2	133·2	164·5	44·4	10·1	2·0	241·0
1974		337·9	117·7	153·1	52·9	12·1	2·1	235·5
1975		326·9	120·6	137·1	56·3	10·9	2·0	234·2
1976		331·5	123·0	134·2	59·5	12·9	1·9	236·7
1977		338·2	122·4	136·8	62·7	14·3	2·0	240·2
1978		339·1	119·4	139·2	65·0	13·4	2·1	246·3
1979		349·5	127·2	137·0	69·3	13·8	2·2	255·0
1980		326·5	120·2	121·2	69·9	13·3	2·0	245·9
1975	*3*	326·4	116·9	139·2	57·4	10·8	2·1	234·7
	4	318·9	117·2	129·2	58·5	12·0	2·0	228·5
1976	*1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9
	2	334·6	120·8	139·5	59·2	12·5	2·6	240·4
	3	330·9	120·5	136·7	57·6	14·6	1·5	244·3
	4	328·0	125·2	126·8	61·0	13·4	1·6	231·4
1977	*1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9
	2	337·7	121·1	137·7	62·0	14·5	2·4	242·9
	3	340·5	121·6	138·1	63·4	15·7	1·7	248·3
	4	337·5	120·4	137·3	64·3	13·1	2·4	231·9
1978	*1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3
	2	341·2	118·7	142·9	64·2	13·3	2·1	248·1
	3	338·3	117·2	143·6	62·4	13·2	1·9	253·9
	4	343·4	125·2	136·7	66·5	12·5	2·5	245·7
1979	*1*	349·1	121·8	141·0	70·3	14·5	1·5	252·6
	2	355·8	131·3	139·4	69·4	13·3	2·4	257·6
	3	352·1	131·8	137·8	66·6	13·3	2·6	257·7
	4	342·1	124·8	129·8	71·1	14·0	2·4	252·0
1980	*1*	333·9	121·5	124·4	72·4	13·8	1·8	242·5
	2	328·3	122·1	122·0	69·9	12·9	1·4	248·1
	3	323·7	119·3	123·1	66·1	12·5	2·7	249·0
	4	321·2	117·6	115·4	71·7	14·2	2·3	244·1
1981	*1*	316·9	116·0	111·8	72·7	13·5	2·9	235·7
	2							

Percentage change, quarter on corresponding quarter of previous year

1977	*3*	+ 2·9	+ 0·9	+ 1·0	+10·1	+ 7·5	+13·3	+ 1·6
	4	+ 2·9	− 3·8	+ 8·3	+ 5·4	− 2·2	+50·0	+ 0·2
1978	*1*	− 1·6	− 7·6	− 0·5	+ 6·2	+ 5·0	+12·5	− 0·2
	2	+ 1·0	− 2·0	+ 3·8	+ 3·6	− 8·3	−12·5	+ 2·1
	3	− 0·7	− 3·6	+ 4·0	− 1·6	−15·9	+11·8	+ 2·3
	4	+ 1·7	+ 4·0	− 0·4	+ 3·4	− 4·6	+ 4·2	+ 6·0
1979	*1*	+ 5·3	+ 4·4	+ 5·7	+ 8·3	− 0·7	−16·7	+ 6·4
	2	+ 4·3	+10·6	− 2·4	+ 8·1	—	+14·3	+ 3·8
	3	+ 4·1	+12·5	− 4·0	+ 6·7	+ 0·8	+36·8	+ 1·5
	4	− 0·4	− 0·3	− 5·0	+ 6·9	+12·0	− 4·0	+ 2·6
1980	*1*	− 4·4	− 0·2	−11·8	+ 3·0	− 4·8	+20·0	− 4·0
	2	− 7·7	− 7·0	−12·5	+ 0·7	− 3·0	−41·7	− 3·7
	3	− 8·1	− 9·5	−10·7	− 0·8	− 6·0	+ 3·8	− 3·4
	4	− 6·1	− 5·8	−11·1	+ 0·8	+ 1·4	− 4·2	− 3·1
1981	*1*	− 5·1	− 4·5	−10·1	+ 0·4	− 2·2	+61·1	− 2·8
	2							

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.

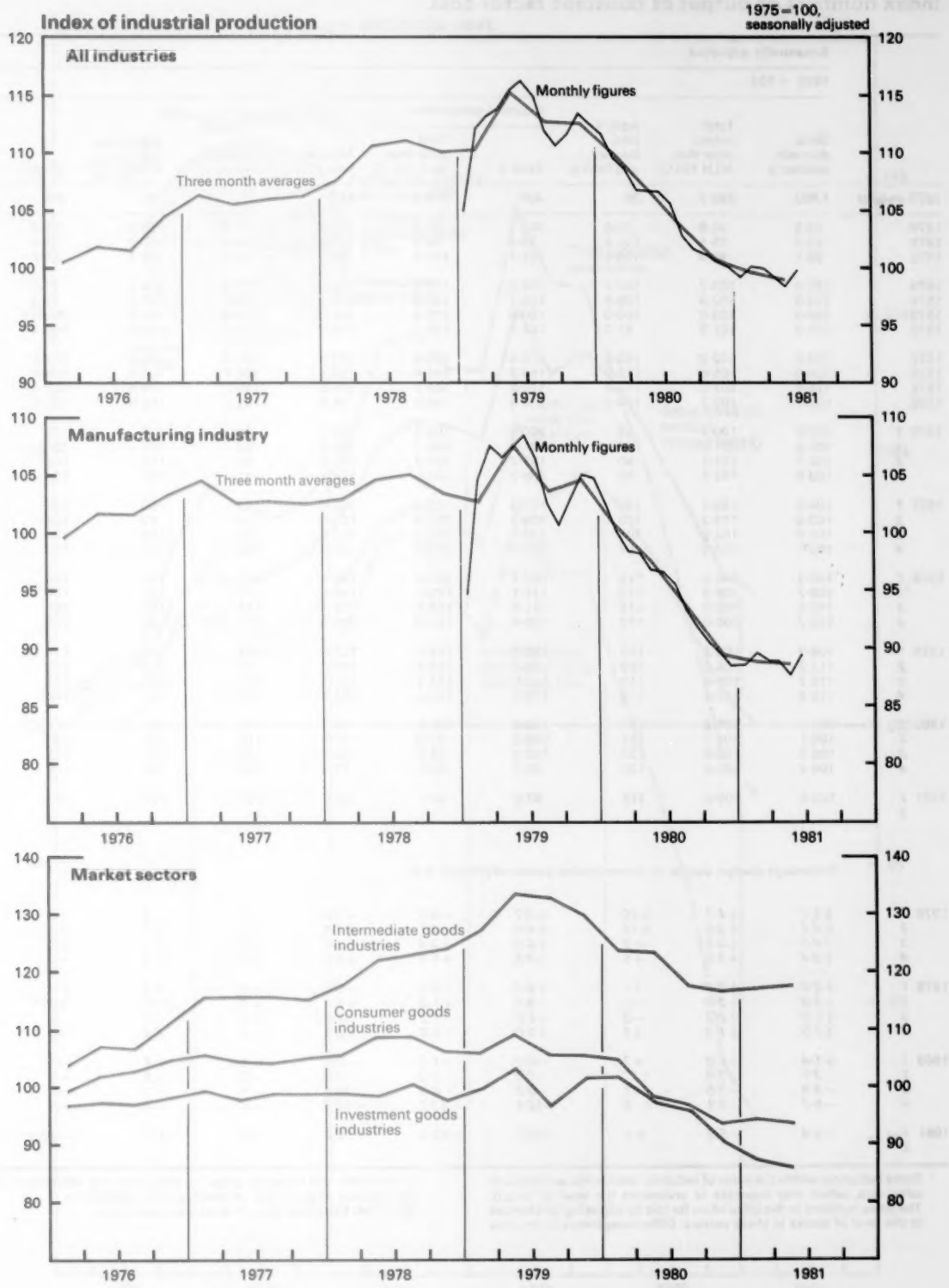

Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and hydro-electricity
1976
1977
1978
1979
1980
1981

Index of industrial production

1975 =100, seasonally adjusted

	All industries covered §	All industries other than MLH 104[2]	By industry: Mining and quarrying	By industry: Manufacturing §	By industry: Construction[3]	By industry: Gas, electricity and water	By market sector[1]: Consumer goods industries	By market sector[1]: Investment goods industries	By market sector[1]: Intermediate goods industries
1975 weights	*1,000*	*999·7*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1970	99·6†	99·6†	118·8†	98·1†	111·0†	83·5†	90·9†	95·6	102·9
1971	99·7	99·6	118·6	97·5	112·9	86·7	93·3	93·6†	102·1
1972	101·9	101·7	100·0	100·1	115·0	93·0	99·9	91·2	104·1
1973	109·4	109·2	110·0	108·4	117·8	98·6	107·9	99·0	112·6
1974	105·1	105·1	89·7	106·6	105·6	98·5	106·0	102·1	106·0
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	100·7	126·1	101·4	98·6	102·3	101·8	96·9	107·0
1977	105·9	101·9	188·4	102·9	98·2	106·4	104·6	98·2	115·4
1978	109·9	104·1	233·1	103·9	104·9	109·7	107·0	98·7	121·4
1979	112·6	104·3	295·7	104·4	101·3	116·1	106·4	100·2	130·6
1980	105·1	96·6	301·4	95·1	95·9	113·0	98·4	96·5	120·2
1976 *1*	100·3	99·7	110·7	99·4	100·6	102·2	98·9	96·2	103·5
2	101·8	100·7	120·8	101·7	97·8	102·2	101·5	97·0	107·0
3	101·5	100·1	125·7	101·6	96·5	99·8	102·4	96·4	106·6
4	104·5	102·2	147·2	103·1	99·7	105·0	104·2	97·9	111·0
1977 *1*	106·1	102·7	175·7	104·5	97·0	104·9	105·5	98·6	115·5
2	105·4	101·4	191·1	102·3	97·2	107·9	104·0	97·3	115·8
3	105·9	101·8	190·7	102·7	98·4	107·2	104·1	98·4	115·6
4	106·1	101·7	196·0	102·3	100·4	105·8	104·7	98·3	114·8
1978 *1*	107·4	102·5	210·4	102·8	102·1	106·5	105·2	98·5	117·6
2	110·7	105·0	230·3	104·6	106·9	111·2	108·5	98·1	122·0
3	111·2	105·3	236·5	105·0	106·2	112·3	108·4	100·2	122·5
4	110·1	103·4	255·2	103·2	104·5	108·8	105·9	97·7	123·6
1979 *1*	110·3	102·5	279·5	102·7	97·1	119·9	105·7	99·6	126·9
2	115·1	106·6	298·1	107·4	102·7	116·9	109·2	103·1	133·4
3	112·6	103·8	308·9	103·3	103·0	115·1	105·5	96·7	132·5
4	112·5	104·1	296·5	104·2	102·5	112·3	105·2	101·6	129·7
1980 *1*	109·9	101·3	306·5	100·3	101·0	113·1	104·5	101·8	123·6
2	106·6	98·2	297·9	97·1	97·5	112 2	98·0	97·5	123·3
3	103·4	95·2	291·1	93·5	94·7	112·9	97·0	96·0	117·2
4	100·6	91·6	310·1	89·4	90·3	113·6	93·9	90·8	116·9
1981 *1*	99·5†	90·2†	318·2†	88·8†	86·8†	110·1†	94·3†	87·3†	117·4†
2	98·9	89·8	312·8	88·5	85[4]	112·4	93·7	86·1	117·8
1979 *A*	113·8	105·9	283	106·5	..	116	108	103	130
M	115·5	106·8	303	107·4	..	119	109	103	134
J	116·1	107·2	309	108·3	..	115	110	103	135
J	115·0	105·9	314	106·5	..	115	108	101	135
A	112·0	103·3	305	102·6	..	116	105	96	132
S	110·7	102·0	308	100·7	..	115	104	93	130
O	111·6	103·1	300	103·0	..	111	104	99	129
N	113·3	105·0	296	105·0	..	116	106	103	131
D	112·5	104·3	293	104·8	..	110	106	103	129
1980 *J*	111·7	103·2	302	102·7	..	117	107	103	126
F	109·5	100·8	308	100·2	..	109	105	103	122
M	108·6	99·8	310	98·2	..	114	102	99	123
A	106·8	98·7	290	98·1	..	110	99	98	122
M	106·5	97·9	301	96·7	..	112	97	97	124
J	106·7	98·1	303	96·6	..	115	98	97	124
J	105·6	97·2	298	95·5	..	120	99	97	121
A	102·9	94·8	289	93·3	..	111	97	96	116
S	101·6	93·7	287	91·8	..	108	95	95	114
O	101·1	92·6	299	90·5	..	117	95	92	117
N	100·6	91·5	313	89·4	..	113	94	91	117
D	100·0	90·8	319	88·4	..	111	93	89	117
1981 *J*	99·0†	89·9†	313	88·4†	..	109	94†	88†	116
F	99·9	90·5	317†	89·3	..	110	95	87	118
M	99·7	90·1	324	88·7	..	111†	94	87	118
A	99·1	89·6	321	88·6	..	109	94	87	117
M	98·2	89·3	307	87·5	..	114	93	86	117
J	99·5	90·5	311	89·3	..	113	94	86	119

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.
[4] Preliminary estimate.


Index of industrial production
1975=100, seasonally adjusted
All industries
Monthly figures
Three month averages
Manufacturing industry
Monthly figures
Three month averages
Market sectors
Intermediate goods industries
Consumer goods industries
Investment goods industries
1976
1977
1978
1979
1980
1981

Index numbers of output at constant factor cost

Seasonally adjusted

1975 = 100

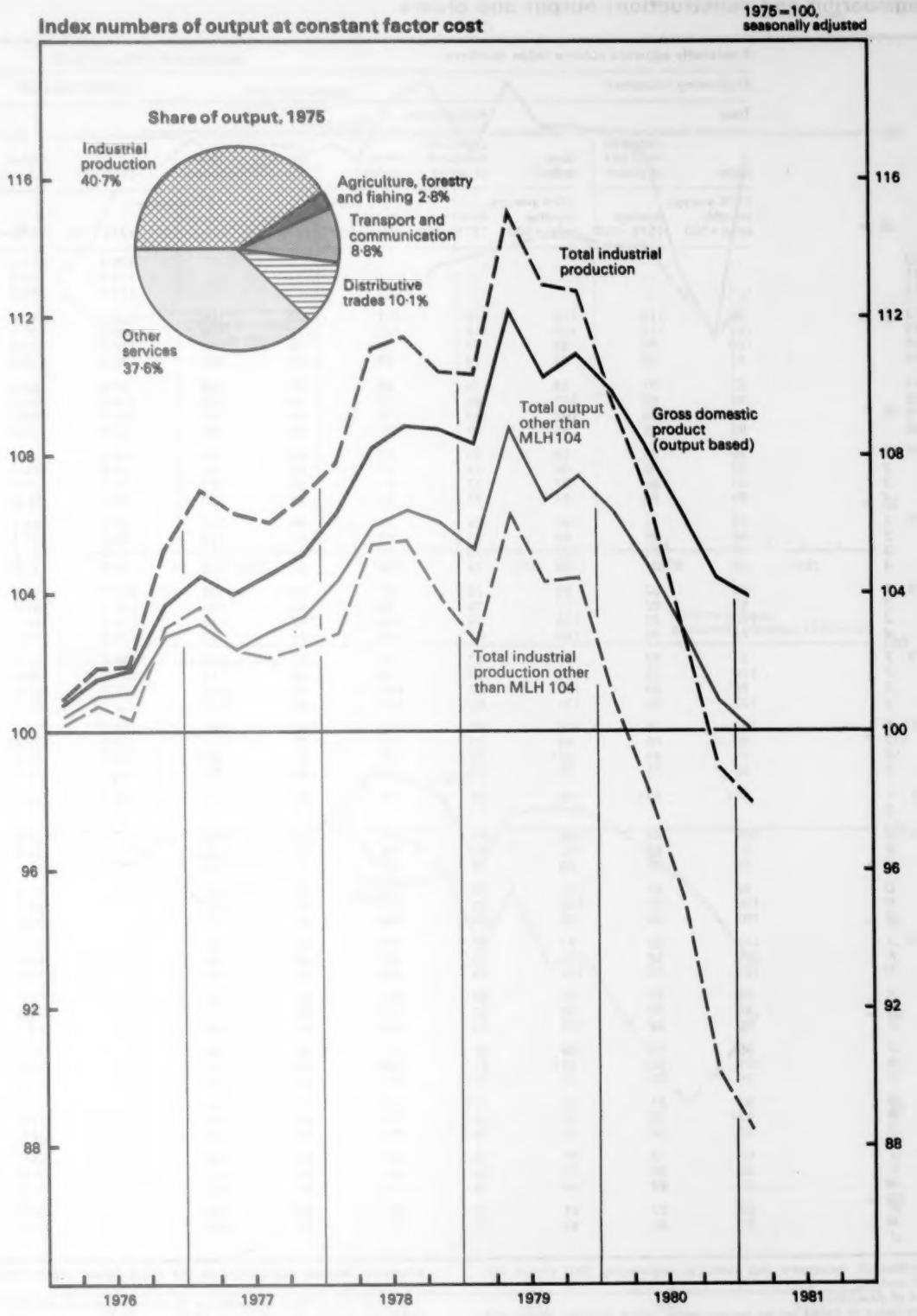
	Gross domestic product[1] §	Total output other than MLH 104[1,2]	Agriculture, forestry and fishing	Industrial production			Transport and communication	Distributive trades	Other
				Total[1] §	Total other than MLH 104[1,2]	Manufacturing[1]			
1975 weights	*1,000*	*999·9*	*28*	*407*	*406·6*	*283*	*88*	*101*	*376*
1970	93·8	93·8	96·3	100·0	99·9	98·4	86·9	94·6	88·4
1971	95·2	95·1	101·4	99·7	99·6	97·3	89·2	96·1	91·0
1972	98·1	98·0	104·7	101·7	101·5	99·7	93·6	100·9	94·2
1973	103·8	103·7	107·1	109·8	109·6	108·8	100·6	106·8	97·0
1974	102·0	102·0	108·4	105·7	105·8	107·5	100·9	103·4	97·3
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	101·9	101·3	92·0	102·4	101·1	102·0	99·0	100·8	102·9
1977	104·5	102·9	103·6	106·5	102·6	103·9	101·8	99·9	104·2
1978	108·0	105·6	112·0	110·2	104·4	104·4	104·7	105·3	106·8
1979	110·4	107·0	110·6	112·8	104·5	104·5	110·3	110·4	107·8
1980	107·1	103·7	120·0	104·6	96·0	94·3	109·4	108·8	108·0
1976 *1*	100·7	100·4	93	100·9	100·2	100·0	98	100	102
2	101·5	101·0	90	101·8	100·7	101·7	98	101	103
3	101·7	101·1	90	101·7	100·3	102·0	99	101	103
4	103·6	102·7	95	105·3	103·0	104·4	101	101	104
1977 *1*	104·5	103·1	100	107·0	103·6	105·6	103	100	104
2	103·9	102·3	103	106·3	102·3	103·6	100	98	104
3	104·5	102·8	105	106·1	102·1	103·1	102	100	105
4	105·1	103·3	107	106·7	102·4	103·3	102	101	105
1978 *1*	106·3	104·3	110	107·7	102·8	103·1	103	103	106
2	108·2	105·9	113	111·1	105·4	105·2	105	105	106
3	108·8	106·4	113	111·4	105·5	105·4	104	107	107
4	108·7	106·0	112	110·4	103·8	103·7	107	107	108
1979 *1*	108·3	105·2	110	110·3	102·5	102·5	104	108	107
2	112·2	108·8	109	115·1	106·6	107·4	112	115	109
3	110·2	106·6	110	113·0	104·3	103·7	113	108	107
4	110·8	107·4	113	112·7	104·4	104·3	112	111	108
1980 *1*	109·8	106·3	117	109·5	100·8	99·7	111	112	109
2	108·1	104·7	121	106·6	98·2	97·1	110	109	108
3	106·2	102·9	122	103·2	95·0	93·2	109	107	107
4	104·4	100·8	120	99·0	90·1	87·3	108	106	108
1981 *1*	103·8	100·0	119	97·8	88·4	86·5	107	110	107
2									

Percentage change, quarter on corresponding quarter of previous year

1978 *1*	*+1·7*	*+1·1*	*+10*	*+0·7*	*−0·7*	*−2·3*	*+1*	*+3*	*+2*
2	*+4·1*	*+3·5*	*+10*	*+4·5*	*+3·1*	*+1·5*	*+4*	*+7*	*+3*
3	*+4·1*	*+3·5*	*+8*	*+5·0*	*+3·4*	*+2·2*	*+3*	*+7*	*+3*
4	*+3·4*	*+2·6*	*+5*	*+3·5*	*+1·4*	*+0·4*	*+4*	*+5*	*+3*
1979 *1*	*+2·0*	*+0·9*	*+1*	*+2·4*	*−0·3*	*−0·6*	*+1*	*+4*	*+1*
2	*+3·8*	*+2·8*	*−3*	*+3·6*	*+1·2*	*+2·1*	*+7*	*+10*	*+2*
3	*+1·3*	*+0·2*	*−3*	*+1·5*	*−1·2*	*−1·7*	*+8*	*+1*	*—*
4	*+1·9*	*+1·3*	*+1*	*+2·0*	*+0·6*	*+0·6*	*+5*	*+4*	*+1*
1980 *1*	*+1·4*	*+1·0*	*+7*	*−0·7*	*−1·6*	*−2·8*	*+6*	*+4*	*+1*
2	*−3·7*	*−3·8*	*+11*	*−7·3*	*−7·9*	*−9·6*	*−2*	*−5*	*−1*
3	*−3·6*	*−3·5*	*+11*	*−8·7*	*−8·9*	*−10·1*	*−4*	*−1*	*—*
4	*−5·7*	*−6·1*	*+ 6*	*−12·1*	*−13·7*	*−16·3*	*−4*	*−4*	*−1*
1981 *1*	*−5·4*	*−5·9*	*+1*	*−10·7*	*−12·3*	*−13·2*	*−3*	*−2*	*−2*
2									

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.


Index numbers of output at constant factor cost
1975 = 100, seasonally adjusted
Share of output, 1975
Industrial production 40·7%
Agriculture, forestry and fishing 2·8%
Transport and communication 8·8%
Distributive trades 10·1%
Other services 37·6%
Total industrial production
Gross domestic product (output based)
Total output other than MLH104
Total industrial production other than MLH 104
116
112
108
104
100
96
92
88
1976
1977
1978
1979
1980
1981

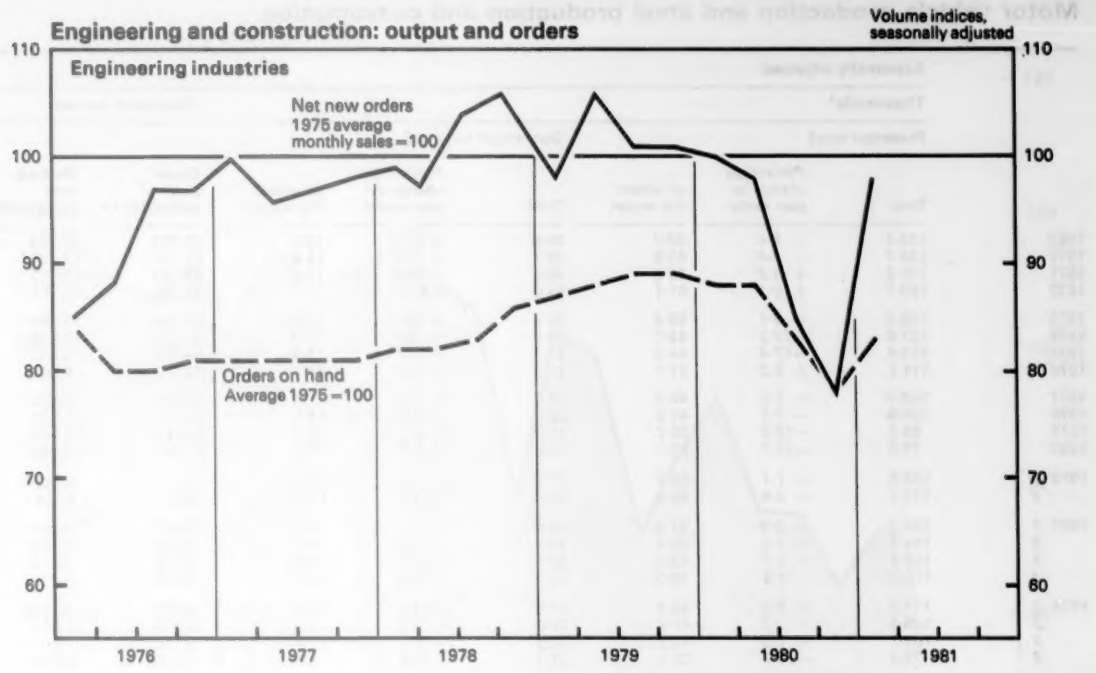
Engineering and construction: output and orders

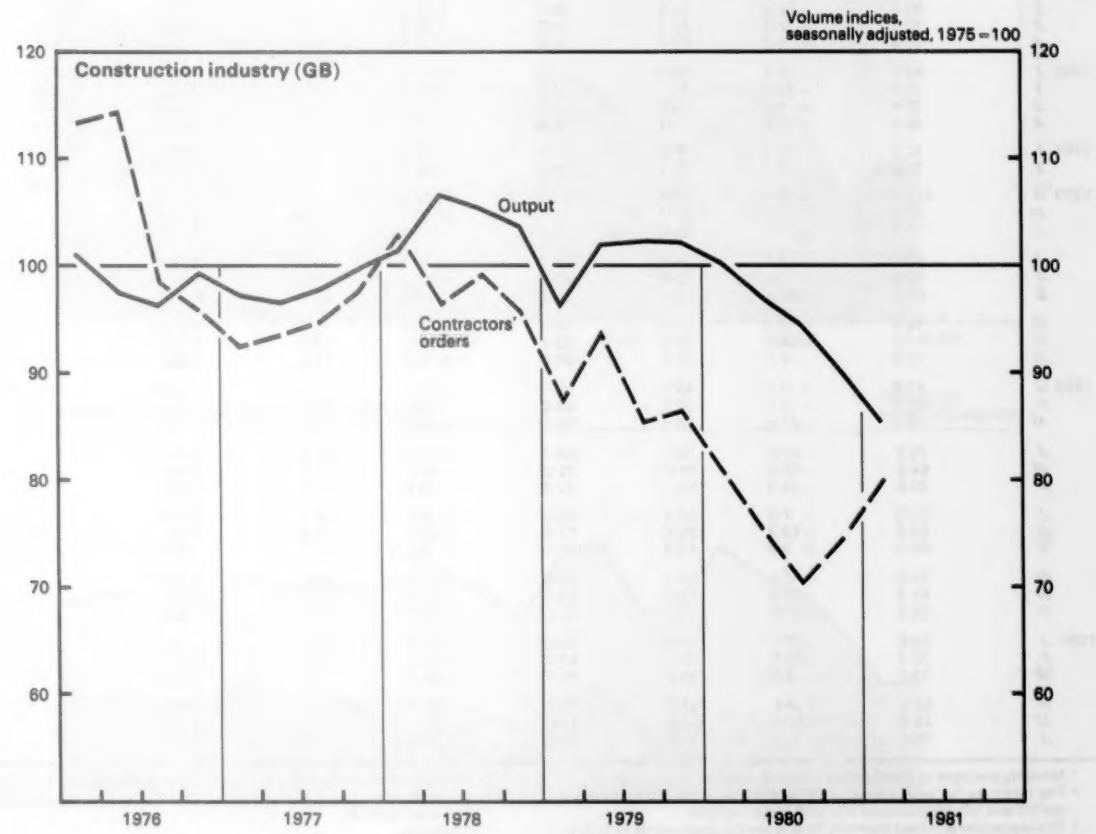
Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received
		1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	1975 =100	1975 =100
1970		..	..	..	..	..	..	..	115·2	131·1
1971		..	..	..	..	..	..	..	116·2	139·2
1972		..	..	..	..	..	..	..	117·4	146·3
1973		98	113	116	119	121	100	105	118·1	141·4
1974		102	114	103	115	102	112	106	106·0	101·1
1975		100	88	83	87	83	89	84	100·0	100·0
1976		97	80	92	74	87	93	103	98·5	105·5
1977		97	81	98	74	93	96	108	97·9	94·6
1978		99	86	102	81	100	96	105	104·4	98·5
1979		100	89	102	85	100	96	106	100·7	88·1
1980		97	78	90	73	87	89†	98	95·6	75·2†
1976	*1*	95	84	85	83	83	85	89	100·9	113·2
	2	98	80	88	79	87	82	91	97·6	114·2
	3	97	80	97	77	91	87	112	96·2	98·6
	4	97	80	97	74	87	93	120	99·4	95·9
1977	*1*	98	81	100	74	97	95	107	97·1	92·4
	2	96	81	96	73	89	97	113	96·5	93·4
	3	97	81	97	73	93	96	106	97·9	94·8
	4	96	81	98	74	94	96	108	99·9	97·8
1978	*1*	98	82	99	75	97	96	104	101·7	102·8
	2	97	82	97	75	96	94	101	106·8	96·2
	3	100	83	104	76	100	97	114	105·5	99·2
	4	99	86	106	81	108	96	102	103·8	95·8
1979	*1*	97	87	98	82	95	98	106	96·4	87·0
	2	105	88	106	83	104	98	112	101·9	93·9
	3	98	89	101	85	101	98	102	102·3	85·2
	4	102	89	101	85	101	96	103	102·2	86·4
1980[5]	*1*	102	88	100	85	97	95	106	100·4	80·9
	2	99	88	98	83	92	97	111	97·2	75·4†
	3	97	83	85†	78	82	92	92†	94·7	70·4
	4	90	78	78	73	75†	89†	86	90·1	74·3
1981	*1*	87†	83†	98	78	95	92	102	85·4[5]	79·9
	2									
1979	*J*	101	88	106	84	107	97	104	..	94·6
	A	97	89	101	84	98	98	109	..	84·9
	S	95	89	96	85	96	98	94	..	76·2
	O	98	89	101	85	97	98	110	..	91·6
	N	106	90	108	86	111	97	101	..	84·7
	D	103	89	95	85	94	96	97	..	82·8
1980[5]	*J*	101	88	97	85	93	96	105	..	79·3†
	F	102	88	99	84	99	95	99	..	83·8
	M	103	88	104	85	99	95	114	..	79·6
	A	99	87	93	84	91	94	98	..	79·8
	M	99	86	93	83	92	93	97	..	71·6
	J	98	88	108	83	95	97	139	..	74·7
	J	95	87	89	82	87	96	94	..	72·1
	A	101	86†	93†	81	89†	95†	102†	..	66·5
	S	95	83	74	78	70	92	83	..	72·5
	O	93	81	76	76†	72	90	84	..	67·5
	N	93†	79	80	74	75	89	89	..	72·9
	D	84	78	79	73	76	89	85	..	82·2
1981	*J*	85	79	91	74	89	89	95	..	85·1
	F	88	80	92	74	84	91	112	..	81·6
	M	87	83	109	78	113	92	100	..	73·0
	A	90	83	91	78	88	93	98	..	64·4[5]
	M	87	82	82	77	81	92	85		80·5[5]
	J									

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.

Engineering and construction: output and orders

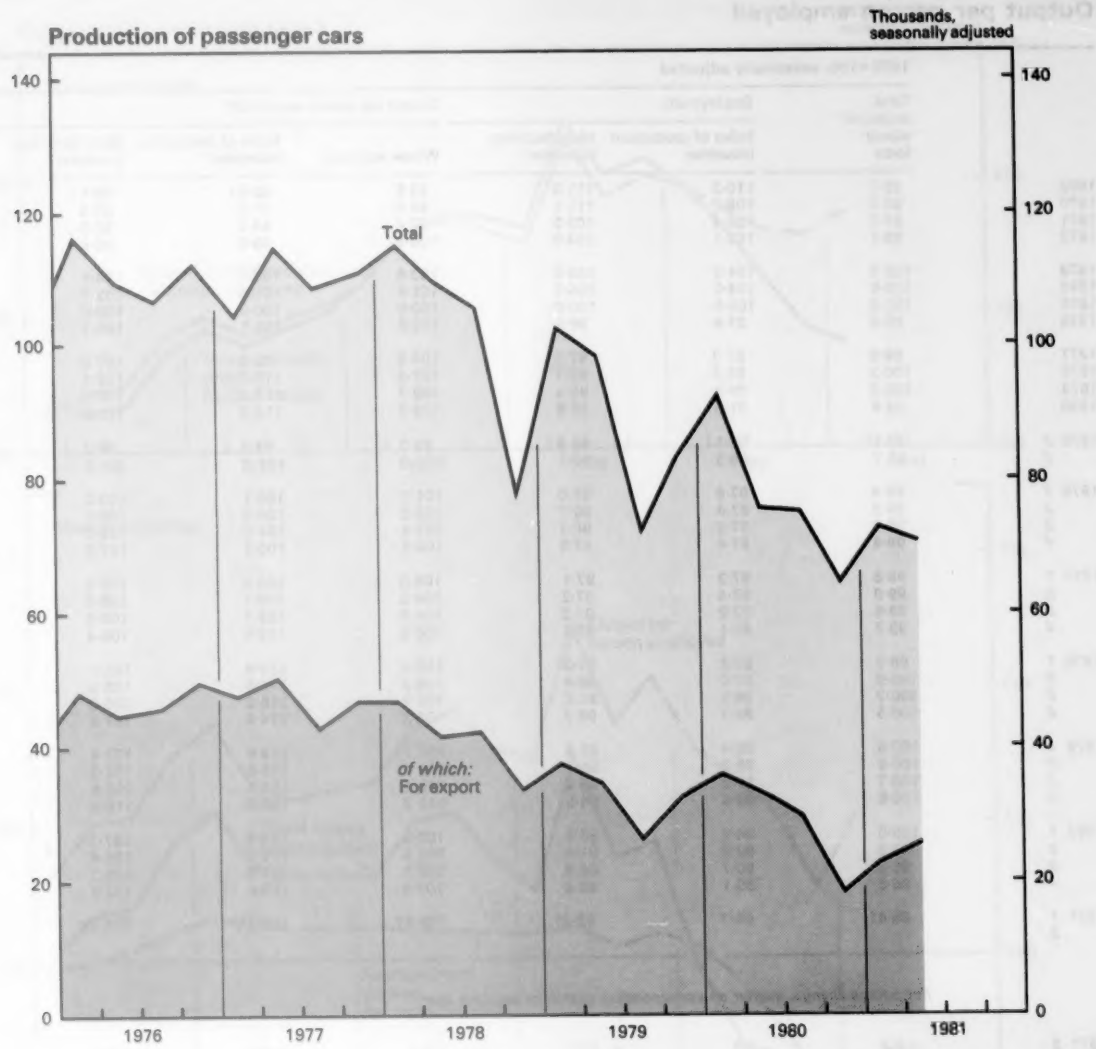


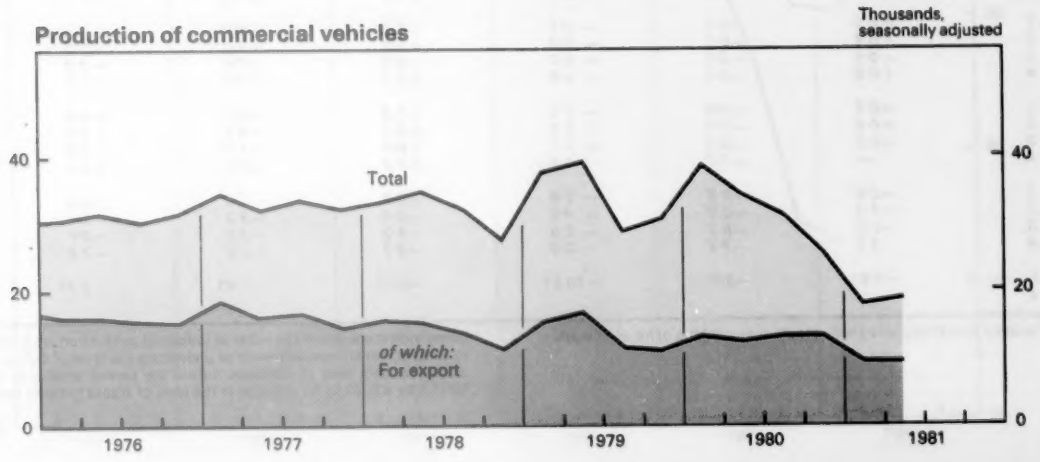


Motor vehicle production and steel production and consumption

		Seasonally adjusted							
		Thousands[1]						Thousand tonnes	
		Passenger cars§			Commercial vehicles§				
		Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1969		143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970		136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,837[4]
1971		145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972		160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,760
1973		145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974		127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975		105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976		111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977		109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1978		101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,593
1979		89·2	*−12·5*	32·7	34·0	*+ 6·1*	13·5	21,412	15,322
1980		77·0	*−13·7*	29·1	32·4	*− 4·7*	13·0	11,387	12,580[7]
1976	*3*	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
	4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977	*1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
	2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
	3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
	4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978	*1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,210
	2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,950
	3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3 910
	4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,500
1979	*1*	102·7	*−10·6*	37·6	37·7	*+13·5*	15·2	4,954	3,640
	2	98·1	*−10·4*	34·9	39·0	*+11·4*	16·3	5,720	3,910
	3	72·2	*−31·7*	26·0	28·9	*−10·5*	11·7	5,485	3,750
	4	83·8	*+ 8·0*	32·4	30·5	*+ 9·9*	11·0	5,252	3,930
1980	*1*	92·4	*−10·1*	35·9	38·5	*+ 2·1*	13·0	764	3,020
	2	75·7	*−22·8*	33·1	34·3	*−11·9*	12·2	4,098	3,430
	3	75·4	*+ 4·4*	29·5	31·5	*+ 8·8*	13·4	3,498	3,150
	4	64·5	*−23·1*	18·1	25·4	*−16·7*	13·5	3,027	2,980
1981	*1*	72·4	*−21·7*	23·1	17·6	*−54·2*	9·4	3,585	3,010[7]
	2	70·6	*− 6·6*	25·7	18·2	*−47·0*	9·2	3,880[7]	
1979	*A*	101·9	*−12·7*	36·4	41·9	*+16·3*	18·7	1,776	..
	M	90·8	*−12·6*	32·7	37·0	*+ 6·9*	15·4	2,148[6]	..
	J	101·5	*− 5·6*	35·7	38·1	*+10·9*	16·0	1,797	..
	J	99·6	*+ 4·1*	34·1	39·6	*+18·1*	14·5	1,804	..
	A	56·9	*−50·4*	23·2	22·9	*−26·8*	10·2	1,871[6]	..
	S	60·2	*−43·6*	20·5	24·3	*−24·4*	10·3	1,810	..
	O	76·5	*− 8·3*	25·4	26·5	*+ 0·9*	10·1	2,098[6]	..
	N	84·6	*+54·3*	36·2	32·4	*+32·5*	11·6	1,668	..
	D	90·3	*− 4·6*	35·7	32·6	*+ 0·2*	11·3	1,486	..
1980	*J*	97·9	*+ 5·5*	40·1	38·7	*+11·7*	14·9	325[6]	..
	F	103·7	*− 0·9*	39·0	43·6	*+15·1*	14·2	125	..
	M	75·5	*−31·9*	28·5	33·1	*−18·4*	9·8	334	..
	A	79·6	*−21·9*	34·1	34·7	*−17·2*	12·2	1,164[6]	..
	M	64·8	*−28·6*	29·0	31·2	*−15·7*	11·2	1,408	..
	J	82·6	*−18·7*	36·1	37·2	*− 2·5*	13·4	1,526	..
	J	101·5	*+ 1·9*	40·4	40·5	*+ 2·2*	15·7	1,634[6]	..
	A	64·5	*+13·2*	28·6	27·4	*+19·7*	12·9	1,056	..
	S	60·3	*+ 0·3*	19·4	26·5	*+ 9·1*	11·6	808	..
	O	74·6	*− 2·4*	22·3	28·5	*+ 7·5*	14·7	1,065[6]	..
	N	61·9	*−26·8*	16·7	27·8	*−14·3*	16·1	977	..
	D	56·9	*−37·0*	15·4	20·0	*−38·7*	9·7	985	..
1981	*J*	68·0	*−30·5*	16·8	18·7	*−51·7*	10·4	1,177[6]	..
	F	75·7	*−27·0*	23·1	17·4	*−60·1*	9·0	1,219	..
	M	73·3	*− 2·8*	29·5	16·7	*−49·5*	8·9	1,189	..
	A	86·0	*+ 8·1*	33·2	21·4	*−38·3*	11·0	1,470[6]	..
	M	46·0	*−29·1*	16·5	14·0	*−55·0*	7·3	1,124[7]	..
	J	79·9	*− 3·2*	27·5	19·2	*−48·4*	9·4	1,286[7]	..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.
[7] Provisional.


Production of passenger cars
Thousands, seasonally adjusted
140
120
100
80
60
40
20
0
Total
of which: For export
1976
1977
1978
1979
1980
1981


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which: For export
1976
1977
1978
1979
1980
1981

Output per person employed

1975 =100, seasonally adjusted

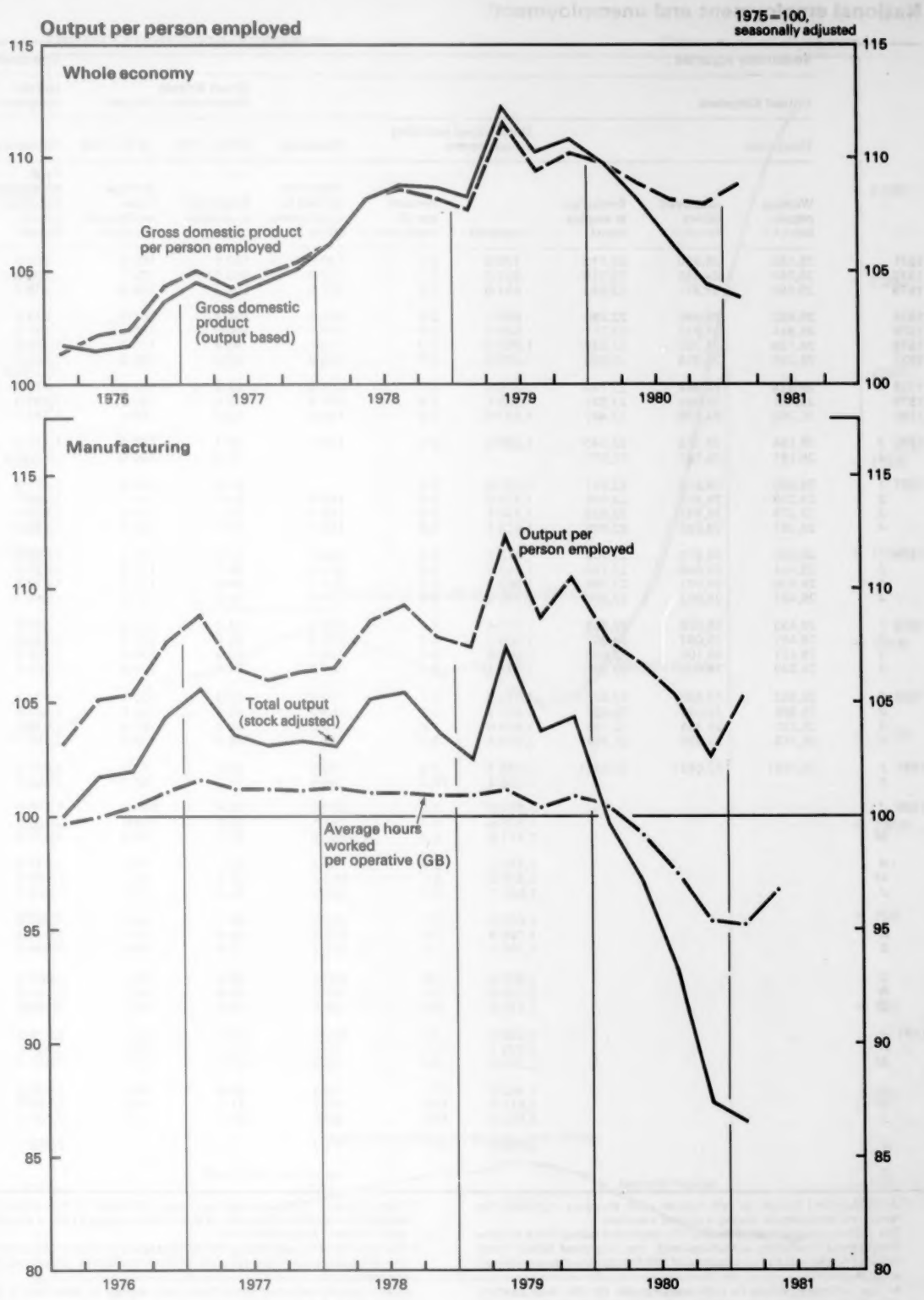
	Total employed labour force	Employment: Index of production industries	Employment: Manufacturing industries	Output per person employed[1]: Whole economy	Output per person employed[1]: Index of production industries[2]	Output per person employed[1]: Manufacturing industries[2]
1969	99·7	110·3	111·3	92·5	90·5†	88·1†
1970	99·3	108·7	111·1	94·5	91·9	88·6
1971	97·7	105·4	107·5	97·4	94·5	90·6
1972	98·1	103·1	104·0	100·1	98·6	95·8
1973	100·2	104·5	104·5	103·6	105·0	104·1
1974	100·6	104·1	104·7	101·4	101·6	102·7
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·4	97·5	96·9	102·6	105·1	105·3
1977	99·6	97·3	97·2	104·9	109·5	107·0
1978	100·2	96·9	96·7	107·9	113·7	108·1
1979	100·6	96·1	95·4	109·7	117·4	109·7
1980	98·6	91·5	89·8	108·7	114·7	105·5
1975 *3*	99·9	99·1	98·9	99·2	99·0	98·7
4	99·7	98·3	97·7	100·0	101·2	101·2
1976 *1*	99·4	97·8	97·0	101·3	103·1	103·2
2	99·3	97·4	96·7	102·2	104·5	105·1
3	99·3	97·3	96·7	102·4	104·5	105·3
4	99·4	97·4	97·0	104·3	108·2	107·6
1977 *1*	99·5	97·3	97·1	105·0	109·9	108·9
2	99·6	97·4	97·2	104·3	109·1	106·5
3	99·6	97·2	97·2	104·9	109·1	106·0
4	99·7	97·1	97·1	105·4	110·0	106·4
1978 *1*	99·9	97·2	97·0	106·4	110·8	106·5
2	100·0	97·0	96·8	108·2	114·5	108·6
3	100·2	96·7	96·5	108·6	115·2	109·2
4	100·5	96·7	96·3	108·2	114·4	107·9
1979 *1*	100·6	96·4	95·9	107·7	114·6	107·4
2	100·6	96·3	95·7	111·6	119·6	112·3
3	100·7	96·2	95·4	109·4	117·3	108·6
4	100·5	95·4	94·5	110·2	118·0	110·5
1980 *1*	100·0	94·2	93·2	109·8	116·8	107·7
2	99·3	92·8	91·4	108·9	115·1	106·6
3	98·2	90·7	88·8	108·1	113·9	105·2
4	96·8	88·1	85·8	107·9	113·0	102·5
1981 *1*	95·4†	85·7	83·3†	108·8†	115·2†	105·2†
2						

Percentage change, quarter on corresponding quarter of previous year

1977 *3*	*+0·3*	*−0·1*	*+ 0·5*	*+2·4*	*+4·4*	*+0·7*
4	*+0·3*	*−0·3*	*+ 0·1*	*+1·1*	*+1·7*	*−1·1*
1978 *1*	*+0·4*	*−0·1*	*− 0·1*	*+1·3*	*+0·8*	*− 2·2*
2	*+0·4*	*−0·4*	*− 0·4*	*+3·7*	*+5·0*	*+2·0*
3	*+0·6*	*−0·5*	*− 0·7*	*+3·5*	*+5·6*	*+3·0*
4	*+0·8*	*−0·4*	*− 0·8*	*+2·7*	*+4·0*	*+1·4*
1979 *1*	*+0·7*	*−0·8*	*− 1·1*	*+1·2*	*+3·4*	*+0·8*
2	*+0·6*	*−0·7*	*− 1·1*	*+3·1*	*+4·5*	*+3·4*
3	*+0·5*	*−0·5*	*− 1·1*	*+0·7*	*+1·8*	*−0·6*
4	—	*−1·3*	*− 1·9*	*+1·8*	*+3·1*	*+2·4*
1980 *1*	*−0·6*	*−2·3*	*− 2·8*	*+2·0*	*+1·9*	*+0·3*
2	*−1·3*	*−3·6*	*− 4·5*	*−2·4*	*−3·8*	*−5·1*
3	*−2·5*	*−5·7*	*− 6·9*	*−1·2*	*−2·9*	*−3·1*
4	*−3·7*	*−7·7*	*− 9·2*	*−2·1*	*−4·2*	*−7·2*
1981 *1*	*−4·6†*	*−9·0*	*−10·6†*	*−0·9†*	*−1·4†*	*−2·3†*
2						

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


Output per person employed
1975=100, seasonally adjusted
Whole economy
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing
Output per person employed
Total output (stock adjusted)
Average hours worked per operative (GB)
115
110
105
100
95
90
85
80
1976
1977
1978
1979
1980
1981

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2,3,4]	Employed labour force[2,3]	Employees in employment[3]	Thousands[4,6]	Percentage of employees[5,6]	Vacancies notified to employment offices§[6]	Employees in employment	Average hours worked per operative	Total unemployed including school leavers[4]
1971	25,165	24,390	22,113	775·8	3·4	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	3·7	147·3	103·9†	102·1	875·6
1973	25,599	24,971	22,663	611·0	2·6	307·0	104·5	104·0	618·8
1974	25,652	25,060	22,790	599·7	2·6	301·6	104·7	101·1	614·9
1975	25,844	24,933	22,711	929·1	3·9	148·1	100·0	100·0	977·6
1976	26,129	24,762	22,540	1,269·3	5·3	119·7	96·8	100·3	1,358·8
1977	26,299	24,819	22,606	1,376·8	5·7	155·9	97·2	101·3	1,483·6
1978	26,414	24,944	22,740	1,375·6	5·7	210·3	96·8	101·0	1,476·0
1979	26,461	25,097	22,897	1,302·1	5·4	241·3	95·4	100·8	1,390·5
1980	26,355	24,696	22,487	1,647·6	6·8	143·0	89·8	98·1	1,794·7
1976 *3*	26,154	24,764	22,540	1,290·6	5·4	126·2	96·7	100·4	1,473·7
4	26,191	24,797	22,577	..	..	..	97·0	101·0	..
1977 *1*	26,208	24,813	22,597	1,331·5	5·5	..	97·1	101·6	1,417·8
2	26,299	24,819	22,606	1,352·5	5·6	153·0	97·3	101·2	1,394·7
3	26,379	24,843	22,629	1,400·1	5·8	154·7	97·3	101·2	1,622·4
4	26,357	24,848	22,638	1,423·1	5·9	164·3	97·1	101·2	1,499·4
1978 *1*	26,398	24,916	22,709	1,412·7	5·8	186·7	97·1	101·2	1,506·1
2	26,414	24,944	22,740	1,390·9	5·8	204·2	96·9	101·0	1,428·2
3	26,436	24,992	22,786	1,365·0	5·7	216·3	96·6	101·0	1,570·6
4	26,487	25,092	22,889	1,333·9	5·4	234·0	96·3	101·0	1,395·3
1979 *1*	26,493	25,070	22,869	1,349·4	5·6	233·6	96·0	100·8	1,436·5
2	26,461	25,097	22,897	1,305·2	5·4	252·2	95·8	101·2	1,327·9
3	26,421	25,101	22,896	1,266·8	5·2	249·1	95·4	100·4	1,438·0
4	26,399	25,031	22,826	1,287·1	5·3	230·3	94·5	100·9	1,359·4
1980 *1*	26,362	24,885	22,678	1,373·9	5·7	194·6	93·2	100·4	1,479·2
2	26,355	24,696	22,487	1,497·7	6·2	159·2	91·5	99·1	1,563·9
3	26,331	24,384	22,166	1,699·0	7·0	119·8	88·8	97·5	1,979·1
4	26,248	23,989	21,769	2,019·8	8·4	98·3	85·6	95·4	2,156·7
1981 *1*	26,168†	23,683†	21,463†	2,304·4	9·5	99·6	83·3	95·1	2,455·8
2				2,506·4	10·4	89·5	81·3	96·7	2,588·0
1980 *J*	..	..	..	1,334·0	5·5	207·5	93·8	100·9	1,470·6
F	..	..	..	1,376·8	5·7	193·4	93·2	100·5	1,488·9
M	..	..	..	1,411·0	5·8	182·8	92·7	99·8	1,478·0
A	..	..	..	1,456·2	6·0	170·2	92·1	99·2	1,522·9
M	..	..	..	1,495·3	6·2	162·2	91·5	99·2	1,509·2
J	..	..	..	1,541·7	6·4	145·3	90·9	98·9	1,659·7
J	..	..	..	1,609·2	6·7	127·9	89·7	98·0	1,896·6
A	..	..	..	1,696·8	7·0	120·5	88·8	97·6	2,001·2
S	..	..	..	1,791·1	7·4	111·1	87·8	97·0	2,039·5
O	..	..	..	1,892·9	7·8	100·0	86·6	95·9	2,062·9
N	..	..	..	2,030·0	8·4	96·2	85·5	95·3	2,162·9
D	..	..	..	2,136·6	8·8	98·8	84·6	95·0	2,244·2
1981 *J*	..	..	..	2,228·3	9·2	103·6	84·0	95·1	2,419·5
F	..	..	..	2,304·1	9·5	98·2	83·2	95·0	2,463·3
M	..	..	..	2,380·8	9·8	96·9	82·5	95·2	2,484·7
A	..	..	..	2,452·3	10·1	94·3	81·9	96·3	2,525·2
M	..	..	..	2,514·6	10·4	91·7	81·3	96·6	2,558·4
J	..	..	..	2,552·3	10·6	82·5	80·6	97·3	2,680·5
J	..	..	..	2,582·3	10·7	91·7			2,852·1
A	..	..	..						
S	..	..	..						

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

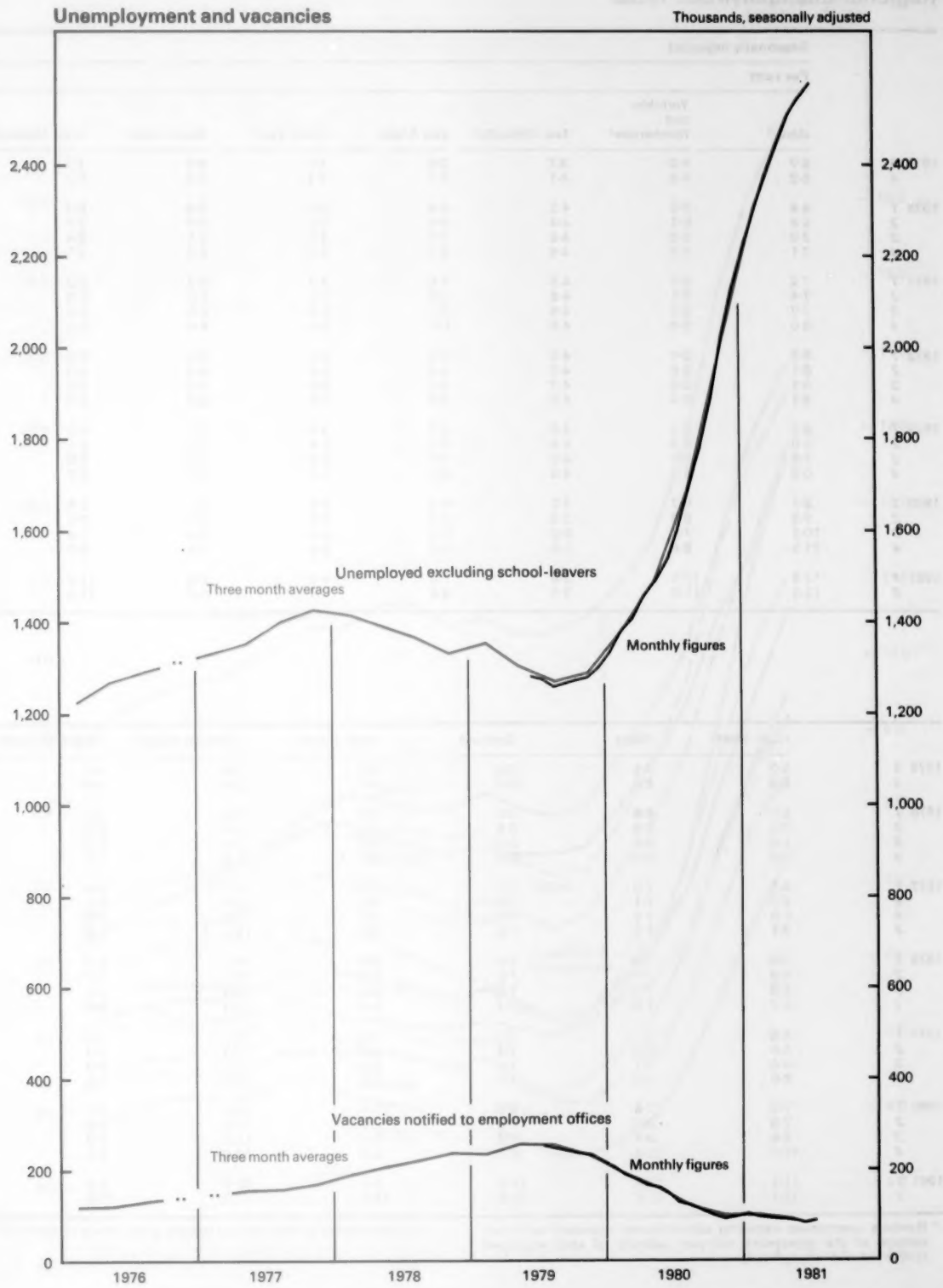
[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] The seasonally adjusted series have been revised as described in the March 1981 *Employment Gazette*.

Unemployment and vacancies



Regional unemployment rates[1]

Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1975 *3*	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	7·1	5·1	4·5	4·7	4·2	6·3	5·2
1977 *1*	7·2	5·1	4·5	4·8	4·2	6·2	5·2
2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·5	4·8	5·1	4·4	6·5	5·4
4	8·0	5·6	4·8	5·1	4·4	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·4	5·2
2	8·1	5·6	4·7	4·8	4·1	6·2	5·2
3	8·1	5·5	4·7	4·7	4·0	6·0	5·1
4	8·1	5·4	4·6	4·5	3·8	5·8	5·0
1979 *1*	8·2	5·5	4·6	4·7	3·8	5·7	5·2
2	8·0	5·3	4·4	4·3	3·6	5·4	5·1
3	7·9	5·1	4·2	4·1	3·4	5·2	5·0
4	8·0	5·3	4·4	4·1	3·4	5·2	5·2
1980 *1*	8·7	5·7	4·7	4·4	3·6	5·3	5·6
2	9·3	6·3	5·3	4·7	3·9	5·7	6·2
3	10·1	7·3	6·2	5·5	4·6	6·4	7·4
4	11·5	8·8	7·5	6·7	5·6	7·5	9·3
1981 *1*	12·9	10·1	8·6	7·8	6·5	8·5	11·2
2	13·8	11·0	9·5	8·4	7·4	9·2	12·6

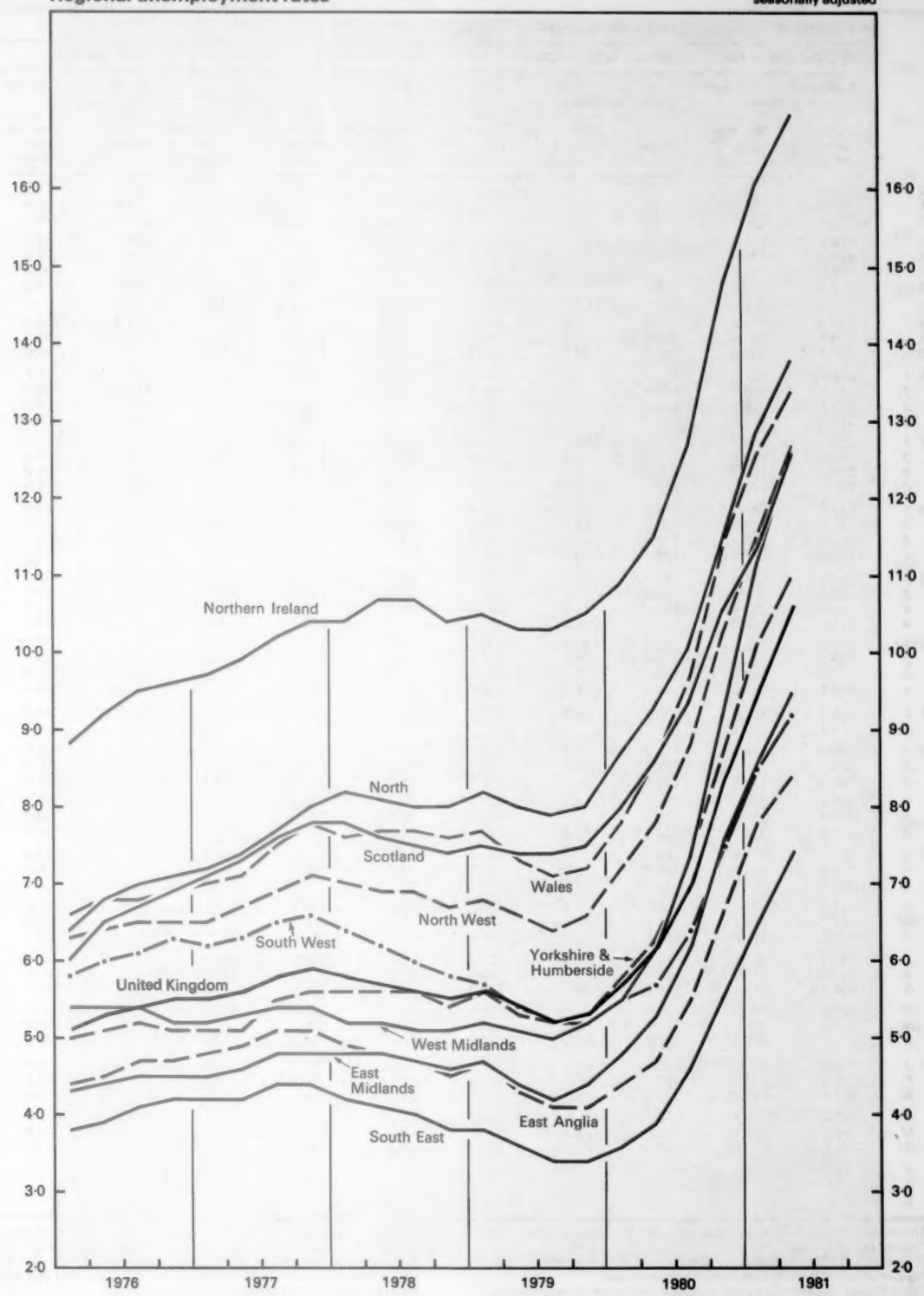
	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1975 *3*	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	6·5	6·9	6·9	5·4	9·6	5·5
1977 *1*	6·5	7·0	7·1	5·4	9·7	5·5
2	6·7	7·1	7·3	5·5	9·9	5·6
3	6·9	7·5	7·6	5·7	10·2	5·8
4	7·1	7·8	7·8	5·8	10·4	5·9
1978 *1*	7·0	7·6	7·8	5·7	10·4	5·8
2	6·9	7·7	7·6	5·6	10·7	5·7
3	6·9	7·7	7·5	5·5	10·7	5·6
4	6·7	7·6	7·4	5·4	10·4	5·5
1979 *1*	6·8	7·7	7·5	5·4	10·5	5·6
2	6·6	7·3	7·4	5·3	10·3	5·4
3	6·4	7·1	7·4	5·1	10·3	5·2
4	6·6	7·2	7·5	5·2	10·5	5·3
1980 *1*	7·2	7·8	8·0	5·6	10·9	5·7
2	7·8	8·6	8·6	6·1	11·5	6·2
3	8·8	9·7	9·4	6·9	12·7	7·0
4	10·3	11·4	10·6	8·2	14·8	8·4
1981 *1*	11·5	12·6	11·4	9·4	16·1	9·5
2	12·7	13·4	12·6	10·4	17·0	10·6

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The boundaries of the standard regions were revised in April 1974.

Regional unemployment rates

Percentage rates, seasonally adjusted



Wage rates and earnings

	Unadjusted		Seasonally adjusted[1]							
	31 July 1972 = 100[2]		January 1976 = 100						1975 = 100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Index of production industries	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1970	78·8	79·4	..	..	..	..	..	..	50·0	51·8
1971	89·0	89·3	..	..	..	..	..	..	54·5	56·6
1972	101·3	101·5	..	..	..	..	..	..	59·3	59·1
1973	115·2	114·6	..	..	..	..	..	..	63·1	62·3
1974	138·0	134·3	..	..	..	..	..	..	78·2	76·9
1975	178·7	174·4	..	..	..	..	..	..	100·0	100·0
1976	213·2	209·0	106·1	..	106·3	..	106·2	..	109·7	111·8
1977	227·3	218·9	115·6	*9·0*	117·2	*10·3*	117·1	*10·2*	119·0	122·7
1978	259·3	258·8	130·6	*13·0*	134·3	*14·6*	134·0	*14·5*	131·7	139·2
1979	298·1	297·5	150·8	*15·5*	154·9	*15·3*	154·8	*15·5*	151·3	158·9
1980	351·7	348·5	182·1	*20·7*	183·9	*18·8*	182·5	*17·9*	180·6	195·0
1976 *1*	204·2	201·5	101·6	..	101·7	..	101·4	..	105·5	108·7
2	211·5	209·0	104·6	..	104·3	..	104·4	..	108·8	109·6
3	217·8	212·5	107·8	..	108·3	..	108·4	..	111·7	114·0
4	219·3	213·1	110·2	..	110·7	..	110·7	..	112·5	115·0
1977 *1*	223·3	215·7	112·4	*10·7*	113·8	*12·0*	113·4	*11·9*	115·2	117·0
2	225·9	217·9	113·9	*8·8*	115·0	*10·2*	114·8	*9·9*	116·3	120·8
3	228·7	220·2	116·3	*7·8*	117·7	*8·6*	117·7	*8·6*	121·2	124·2
4	231·2	221·7	120·0	*8·9*	122·3	*10·5*	122·5	*10·6*	123·3	128·9
1978 *1*	237·8	226·1	123·8	*10·2*	126·6	*11·2*	126·8	*11·8*	126·7	132·4
2	260·6	263·9	129·2	*13·5*	132·9	*15·6*	132·4	*15·3*	129·1	136·7
3	265·8	267·9	133·0	*14·4*	136·7	*16·2*	136·2	*15·7*	134·2	140·3
4	273·0	277·5	136·5	*13·8*	141·0	*15·3*	140·7	*14·9*	136·7	147·4
1979 *1*	284·9	284·5	141·0	*13·9*	145·1	*14·6*	145·4	*14·7*	143·2	151·2
2	292·2	291·3	146·8	*13·4*	152·1	*14·5*	152·7	*15·4*	145·6	153·6
3	299·9	296·4	153·9	*15·7*	155·9	*14·0*	155·0	*13·8*	156·6	161·7
4	315·3	318·0	161·8	*18·5*	166·4	*18·0*	166·2	*18·1*	159·7	169·0
1980 *1*	334·9	336·5	168·8	*19·7*	172·4	*18·8*	170·6	*17·3*	167·3	178·7†
2	348·3	345·3	178·0	*21·4*	180·8	*18·8*	179·9	*17·8*	177·3	191·1
3	357·4	349·9	188·1	*22·2*	189·4	*21·5*	188·3	*21·4*	188·1	201·3
4	366·6	362·3	193·3	*19·5*	193·2	*16·1*	191·3	*15·1*	189·9	206·4
1981 *1*	376·6	372·0	196·7	*16·5*	200·0	*16·0*	196·9	*15·4*	191·7	207·8
2	382·8	376·6								
1979 *J*	298·7	294·6	153·9	*16·5*	156·7	*15·8*	157·2	*16·4*	..	158·8
A	300·2	296·7	153·9[3]	*16·4*[3]	155·9[3]	*14·3*[3]	154·0[3]	*13·5*[3]	..	161·4
S	300·8	297·7	153·9[3]	*14·3*[3]	155·1[3]	*12·1*[3]	153·9[3]	*11·7*[3]	..	165·0
O	303·1	298·4	158·8	*16·8*	163·6	*16·4*	163·5	*16·4*	..	166·8
N	319·4	327·3	162·0	*19·1*	166·3	*18·5*	166·0	*18·8*	..	169·7
D	323·4	328·5	164·5[4]	*19·6*[4]	169·2[4]	*19·0*[4]	169·1[4]	*19·1*[4]	..	170·6
1980 *J*	332·9	335·5	164·6[4]	*20·2*[4]	169·0[4]	*19·7*[4]	167·6[4]	*19·0*[4]	..	173·8
F	335·0	336·6	169·0[4]	*18·6*[4]	171·8[4]	*18·4*[4]	170·0[4]	*16·8*[4]	..	178·7
M	336·9	337·4	172·8[4]	*20·3*[4]	176·4[4]	*18·3*[4]	174·1[4]	*16·2*[4]	..	183·4
A	342·2	340·6	175·1	*21·3*	178·0	*19·3*	176·4	*18·2*	..	187·5
M	347·3	346·7	176·7	*21·3*	179·4	*18·7*	178·7	*17·6*	..	190·9
J	355·5	348·6	182·1	*21·7*	184·8	*18·4*	184·5	*17·7*	..	194·7
J	356·8	349·1	183·1	*18·9*	187·8	*19·8*	186·9	*18·9*	..	198·6†
A	357·3	350·0	187·3	*21·7*	189·6	*21·6*	188·5	*22·3*	..	201·4
S	358·1	350·7	194·0	*26·1*	190·8	*23·1*	189·4	*23·1*	..	203·7
O	359·5	351·0	190·7	*20·1*	191·3	*16·9*	189·9	*16·2*	..	205·2
N	368·9	367·8	192·6	*18·9*	193·0	*16·1*	191·4	*15·3*	..	206·4
D	371·4	367·9	196·6	*19·5*	195·3	*15·4*	192·6	*13·9*	..	207·6
1981 *J*	375·8	371·7	195·3	*18·6*	197·8	*17·0*	194·5	*16·0*	..	208·0
F	376·6	372·1	196·9	*16·5*	200·5	*16·7*	197·6	*16·2*	..	208·1
M	377·6†	372·2	197·9	*14·5*	201·7	*14·3*	198·7	*14·1*	..	207·3
A	382·3	375·4	199·5	*13·9*	200·2	*12·5*	197·5	*12·0*	..	207·6
M	383·3	377·3†	200·0	*13·2*	201·3†	*12·2*	198·9	*11·3*	..	207·5
J	383·7	377·6	203·6[5]	*11·8*[5]	206·9[5]	*11·9*[5]	204·5[5]	*10·8*[5]	..	
J	386·1	377·7							..	
A									..	
S									..	

[1] The seasonal adjustment factors currently used are based on data up to December 1980.

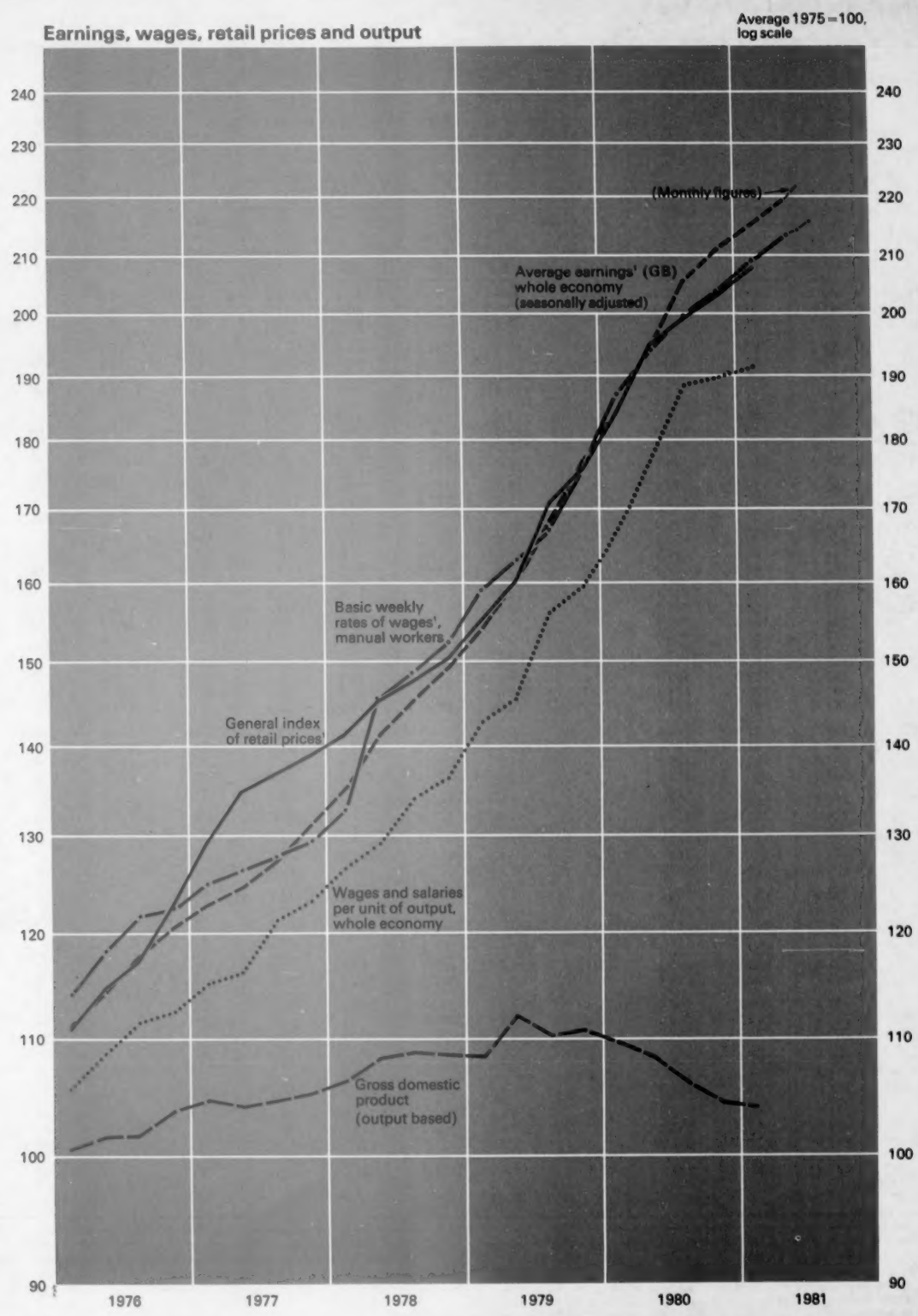
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.

[3] These figures are affected by the industrial dispute in the engineering industries.

[4] Owing to the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for all manufacturing and, whole economy and Index of production industries.

[5] Provisional.

Earnings, wages, retail prices and output

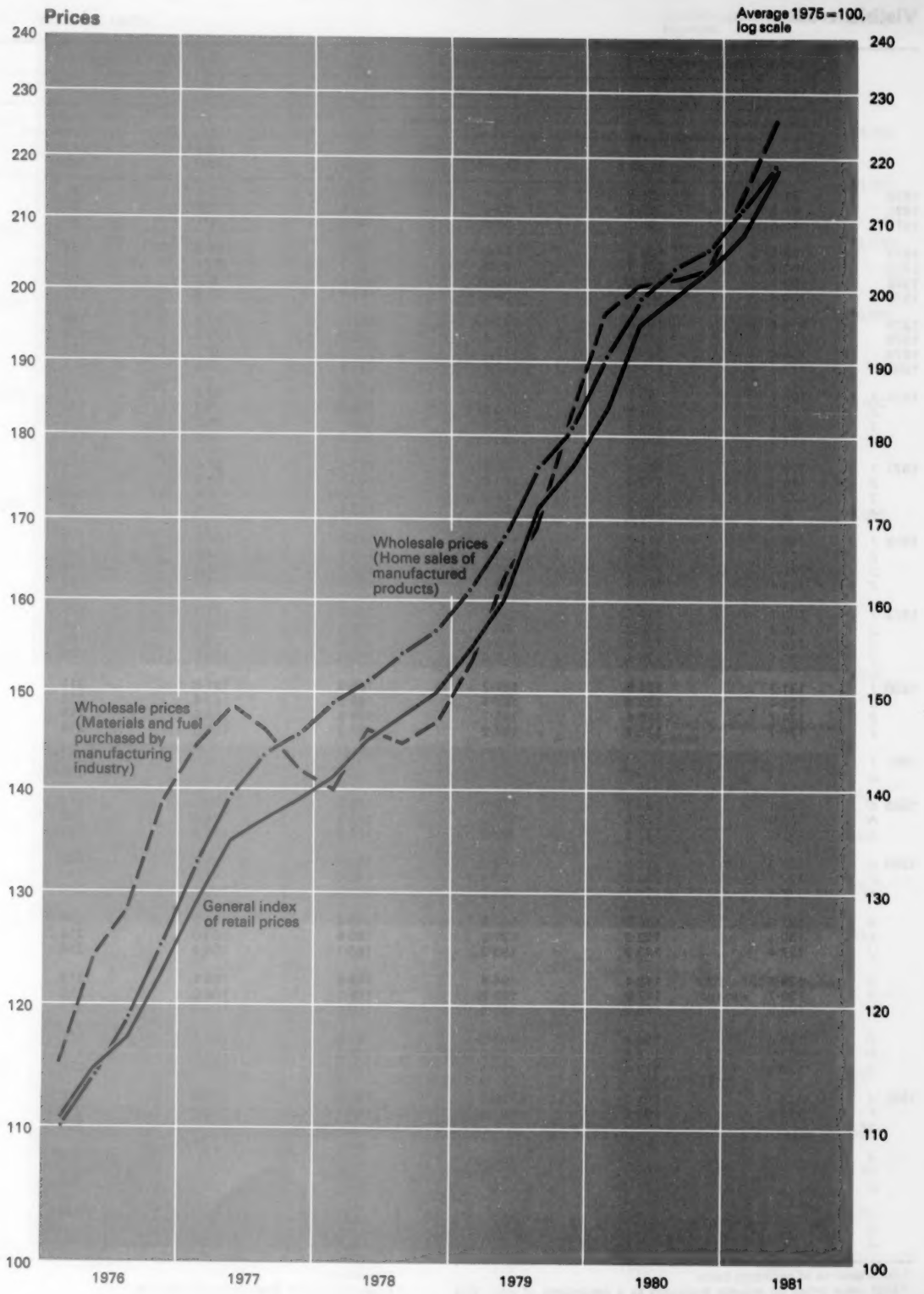


[1] Quarterly average of monthly figures

Prices

	Unadjusted										
	Average 1975 =100										Average 1975 =100p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output of all manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979	167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1980	200·9	200·0	195·6	*18·0*	191·9	196·5	196·3	*18·4*	195·7	194·6	
1976 *3*	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	169·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·9	181·8	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1980 *1*	197·2	191·4	184·6	*19·1*	185·7	184·1	184·8	*19·5*	185·7	184·9	54
2	201·3	199·0	195·3	*21·5*	192·0	196·1	195·8	*22·3*	194·1	193·5	51
3	201·9	203·6	199·4	*16·4*	194·5	200·7	200·4	*16·5*	199·2	197·9	50
4	203·3	206·1	203·2	*15·3*	195·5	205·1	204·3	*15·6*	203·7	201·9	49
1981 *1*	213·8	212·3	208·0	*12·7*	201·6	209·5	209·0	*13·0*	209·8	208·2	48
2	225·6	219·4	218·1	*11·7*	207·8	220·8	218·9	*11·8*	216·4	215·7	46
1980 *J*	193·5	188·5	182·0	*18·4*	183·6	181·4	182·2	*18·8*	..	..	55
F	197·6	191·5	184·6	*19·1*	185·1	184·3	184·9	*19·5*	..	..	54
M	200·4	194·3	187·1	*19·8*	188·4	186·6	187·4	*20·2*	..	..	53
A	202·3	197·0	193·5	*21·8*	190·6	194·2	193·9	*22·4*	..	..	52
M	200·4	199·0	195·3	*21·9*	191·8	196·1	195·9	*22·6*	..	..	51
J	201·1	201·0	197·1	*21·0*	193·5	198·0	197·7	*21·7*	..	..	51
J	201·7	202·7	198·7	*16·9*	195·0	199·6	199·3	*17·0*	..	..	50
A	201·8	203·5	199·2	*16·3*	194·3	200·4	200·2	*16·5*	..	..	50
S	202·1	204·6	200·4	*15·9*	194·3	202·0	201·6	*16·1*	..	..	50
O	201·4	205·3	201·7	*15·4*	194·5	203·5	202·9	*15·7*	..	..	50
N	203·4	206·2	203·3	*15·3*	195·0	205·5	204·5	*15·7*	..	..	49
D	205·1	206·7	204·5	*15·1*	197·1	206·4	205·5	*15·4*	..	..	49
1981 *J*	209·7	209·9	205·7	*13·0*	200·1	207·2	206·7	*13·4*	..	..	49
F	214·0	211·9	207·6	*12·5*	201·7	209·0	208·6	*12·8*	..	..	48
M	217·8	215·1	210·7	*12·6*	203·0	212·4	211·6	*12·9*	..	..	47
A	221·3	218·0	216·8	*12·0*	205·7	219·7	217·7	*12·3*	..	..	46
M	226·1	219·2	218·2	*11·7*	207·6	220·9	218·9	*11·7*	..	..	46
J	229·9[5]	221·0[5]	219·4	*11·3*	210·1	221·9	220·1	*11·3*	..	..	46
J	232·8[5]	222·1[5]	220·4	*10·9*	209·8	223·2	221·2	*11·0*	..	..	45
A									..	..	
S									..	..	

[1] All items except housing.
[2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[5] Provisional.
[6] Estimated.


Prices
Average 1975=100, log scale
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
Wholesale prices (Home sales of manufactured products)
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
1976
1977
1978
1979
1980
1981

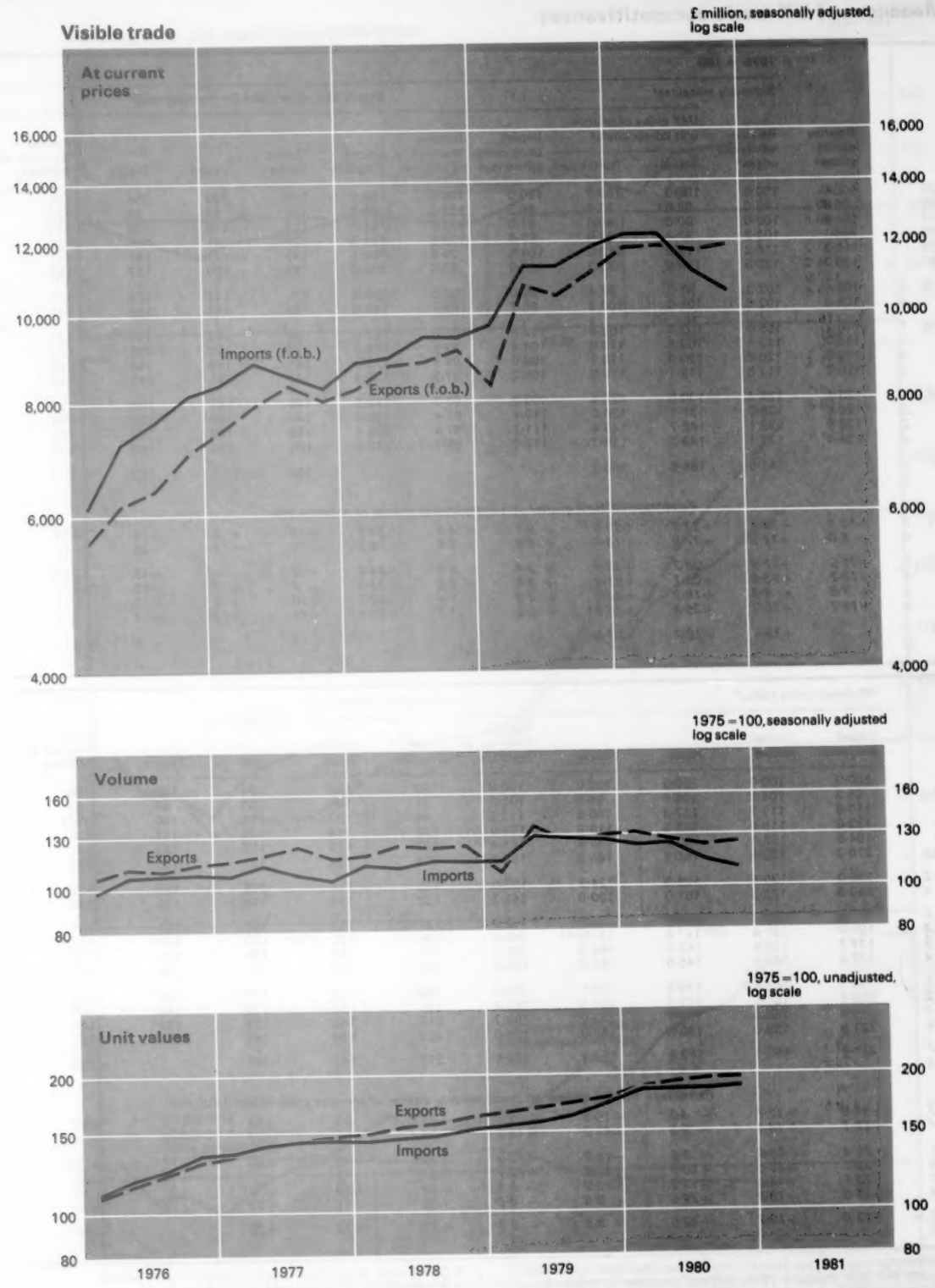
Visible trade

	Seasonally adjusted		Unadjusted			
	1975 =100		1975 =100			1975 =100
	Volume indices[1]		Unit value indices[1]			World commodity prices index[3]
	Exports	Imports	Exports	Imports	Terms of trade[2]	
1970	81·1	81·8	50·8	42·8	118·8	31
1971	85·9	85·5	53·7	44·8	119·8	33
1972	85·6	95·2	56·8	46·9	121·1	38
1973	97·2	108·4	64·0	60·0	106·8	54
1974	104·2	109·5	81·6	87·7	93·1	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	109·8	105·8	119·6	122·2	97·9	130
1977	118·4	107·7	141·5	141·3	100·2	149
1978	121·5	112·9	155·5	146·9	105·8	138
1979	125·6	125·6	171·8	161·9	106·1	162
1980	127·8	119·0	192·9	185·9	103·8	214
1976 *1*	106·1	98·5	109·6	110·4	99·3	115
2	110·8	107·9	115·8	119·0	97·3	130
3	109·5	108·3	122·6	125·1	98·2	135
4	113·0	108·6	130·3	134·3	97·0	145
1977 *1*	115·5	107·4	134·9	137·1	98·4	152
2	118·5	112·0	140·6	140·8	99·9	155
3	123·2	107·6	144·3	143·4	100·6	149
4	116·5	103·9	146·4	143·9	101·8	142
1978 *1*	118·6	111·7	149·6	142·0	105·3	136
2	122·7	110·2	153·7	146·6	104·8	143
3	121·4	115·1	157·6	148·1	106·4	138
4	123·4	114·4	161·1	150·9	106·8	138
1979 *1*	108·1	114·5	166·0	154·2	107·6	141
2	136·3	130·2	169·2	158·8	106·6	156
3	128·1	129·0	173·2	162·0	106·9	162
4	130·1	128·9	178·8	172·8	103·5	185
1980 *1*	131·3	124·5	187·2	185·3	101·0	211
2	128·4	125·8	191·7	185·5	103·4	216
3	124·7	115·6	195·7	185·5	105·5	214
4	126·7	110·2	197·2	187·2	105·3	215
1981 *1*						228†
2						238[5]
1979 *O*	126·1	130·7	176·9	169·8	104·2	174
N	133·0	128·5	179·3	172·5	104·0	190
D	131·1	127·5	180·3	176·0	102·4	192
1980 *J*	135·5	123·0	185·0	182·7	101·3	206
F	132·1	126·4	187·4	185·6	101·0	210
M	126·4	124·1	189·2	187·7	100·8	218
A	127·8	130·5	190·8	185·8	102·7	218
M	130·1	122·9	191·1	185·5	103·0	214
J	127·4	123·9	193·3	185·1	104·4	213
J	129·4	118·4	194·9	185·5	105·1	213
A	120·7	117·9	196·2	185·1	106·0	214
S	123·9	110·6	195·9	186·1	105·3	212
O	125·5	106·9	197·5	187·8	105·2	211
N	127·7	111·4	196·0	185·6	105·6	216
D	126·9	112·4	197·9	188·3	105·1	218
1981 *J*	123·7	101·0	199·0	187·0	106·4	220
F	119·5	109·2	198·8	189·1	105·1	227
M						234
A						239†
M						240[4]
J						244[5]
J						249[5]
A						
S						

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.

Note: Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.

Visible trade



Measures of UK trade competitiveness

1975 = 100

		Summary measures[1]						Export unit value index for manufactures[3]				
		Relative export prices[2]	Relative wholesale prices[2]	IMF index of relative unit labour costs[2] Actual	IMF index of relative unit labour costs[2] Normalised	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976		96·9	93·9	92·6†	93 6	96·3	101·2	97·2	107	99	98	102
1977		101·8	100·0	90·0	89·9	97·6	102·7	111·7	112	108	105	110
1978		108·1	103·2	97·3	97·9	99·6	102·9	136·2	121	131	121	131
1979		115·3	114·2	112·9	113·0	104·6	99·8	164·1	140	141	141	147
1980		128·3	130·5	139·9	138·9	109·0	97·3	200·8	153	150	157	156
1978	*3*	108·0	102·3	97·0	98·4	99·0	103·5	138·9	121	142	126	131
	4	109·6	102·6	101·0	100·3	98·7	103·7	146·5	126	143	129	140
1979	*1*	110·7	105·5	103·0	102·4	100·8	102·8	152·0	134	142	134	143
	2	114·7	113·1	109·6	112·0	104·4	99·9	158·2	139	140	136	140
	3	119·6	120·9	120·0	118·7	108·0	98·8	173·3	141	145	144	148
	4	116·2	117·5†	119·1	119·0	105·2	97·9	172·9	145	141	149	155
1980	*1*	123·4	124·4	130·5	126·4	103·2	97·7	188·5	146	142	154	157
	2	126·4	128·5	137·1	136·0	110·1	97·4	195·6	149	150	156	155
	3	128·9	132·1	142·7	143·4	111·1	97·4	208·4	155	152	163	170
	4	134·4	137·1	149·2	149·7†	112·0	96·7	210·5	161	159	155	152
1981	*1*		141·6	155·6	156·2				165		143	
	2											
		Percentage change, quarter on corresponding quarter of previous year.										
1979	*3*	*+10·7*	*+18·2*	*+23·7*	*+20·6*	*+ 9·1*	*− 4·5*	*+24·8*	*+18*	*+ 2*	*+14*	*+13*
	4	*+ 6·0*	*+14·5†*	*+17·9*	*+18·6*	*+ 6·6*	*− 5·6*	*+18·0*	*+15*	*− 1*	*+16*	*+11*
1980	*1*	*+11·5*	*+17·9*	*+26·7*	*+23·4*	*+ 2·4*	*− 5·0*	*+24·0*	*+ 9*	—†	*+15*	*+10*
	2	*+10·2*	*+13·6*	*+25·1*	*+21·4*	*+ 5·5*	*− 2·5*	*+23·6*	*+ 7*	*+ 7*	*+15*	*+11*
	3	*+ 7·8*	*+ 9·3*	*+18·9*	*+20·8*	*+ 2·9*	*− 1·4*	*+20·3*	*+10*	*+ 5*	*+13*	*+15*
	4	*+15·7*	*+16·7*	*+25·3*	*+25·8†*	*+ 6·5*	*− 1·2*	*+21·7*	*+11*	*+13*	*+ 4*	*− 2*
1981	*1*		*+13·8*	*+19·2*	*+23·6*				*+13*		*− 7*	
	2											

		Wholesale price index[3]					Unit labour costs index[3]				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976		95·3	104·6	104·9	96·5	101·2	91	101	100	94	98
1977		110·8	111·2	117·8	100·6	112·8	96	107	115	100	110†
1978		132·8	119·4	148·5	119·8	131·9	120	114	144	117	130
1979		164·8	133·8	150·2	140·6	151·4	152	122	135	132	146
1980		210·2	152·8	166·6	165·2	164·1	204	136	131	151	158
1978	*3*	135·0	120·5	159·9	124·9	132·0	122	114	155	122	130
	4	140·9	123·3	161·0	130·0	141·7	132	116	156	125	140
1979	*1*	147·0	127·1	154·8	133·9	145·6	137	119	147	131	145
	2	157·7	131·4	147·8	134·3	145·4	144	122	135	127	139
	3	177·7	135·8	153·0	144·3	154·1	162	123	134	131	146
	4	177·1	140·7	145·0	152·4	160·4	164	125	122	140	153
1980	*1*	194·7	147·4	149·3	160·1	164·2	182†	129	118†	145[4]	154
	2	205·2	151·1	162·9	163·6	164·4	197	136	126	148[4]	156
	3	218·8	154·8	173·7	172·0	168·7	216	140	138	158[4]	165
	4	221·9	158·0	180·5	165·0	159·0	223	139	144	154[4]	157
1981	*1*	221·2	163·1	182·9	154·4	149·1	218	142	147		139
	2										
		Percentage change, quarter on corresponding quarter of previous year.									
1979	*3*	*+31·6*	*+12·7*	*− 4·3*	*+15·5*	*+16·7*	*+33*	*+8*	*−14*	*+ 7*	*+12*
	4	*+25·7*	*+14·1*	*− 9·9*	*+17·2*	*+13·2*	*+24*	*+8*	*−22*	*+12*	*+ 9*
1980	*1*	*+32·4*	*+16·0*	*− 3·6*	*+19·6*	*+12·8*	*+33†*	*+8*	*−20*	*+11*	*+ 6†*
	2	*+30·1*	*+15·0*	*+10·2*	*+21·8*	*+13·1*	*+37*	*+11*	*− 7*	*+17*	*+12*
	3	*+23·1*	*+14·0*	*+13·5*	*+19·2*	*+ 9·5*	*+33*	*+14*	*+ 3†*	*+21*	*+13*
	4	*+25·3*	*+12·3*	*+24·5*	*+ 8·3*	*− 0·9*	*+36*	*+11*	*+18*	*+10*	*+ 3*
1981	*1*	*+13·6*	*+10·7*	*+22·5*	*− 3·6*	*− 9·2*	*+20*	*+10*	*+25*		*−10*
	2										

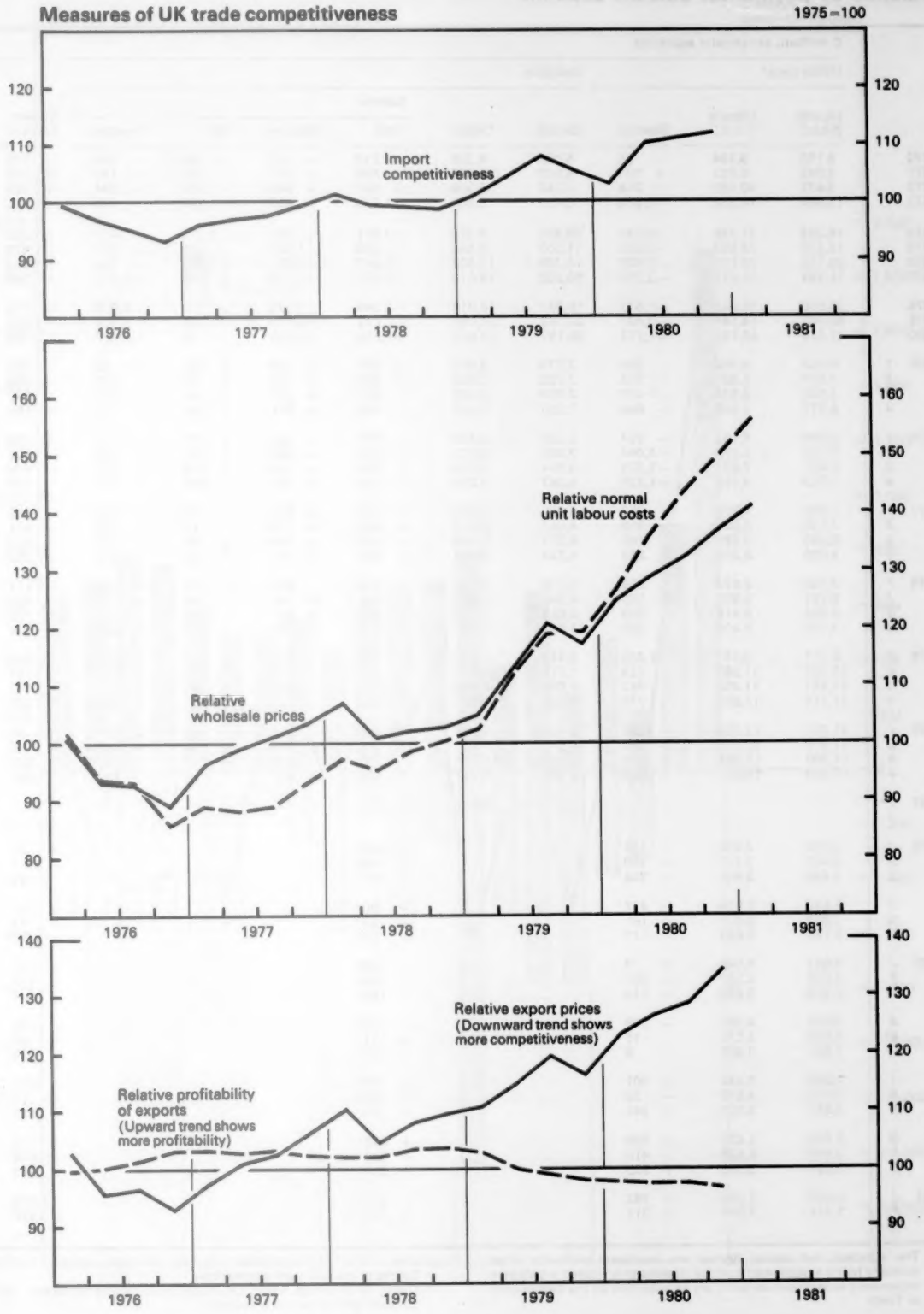
[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980.

[2] Downwards movements indicate greater competitiveness.

[3] All the indices are in terms of US dollars.

[4] Provisional.

Measures of UK trade competitiveness



Balance of payments: current account

£ million, seasonally adjusted

		Visible trade[1]			Invisibles						
							Balance				
		Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1970		8,150	8,184	− 34	5,082	4,269	+ 813	+ 437	+ 554	− 178	+ 779
1971		9,043	8,853	+ 190	5,649	4,763	+ 886	+ 577	+ 502	− 193	+1,076
1972		9,437	10,185	− 748	6,242	5,305	+ 937	+ 643	+ 538	− 244	+ 189
1973		11,937	14,523	−2,586	8,430	6,900	+1,530	+ 697	+1,268	− 435	−1,056
1974		16,394	21,745	−5,351	10,400	8,429	+1,971	+ 960	+1,428	− 417	−3,380
1975		19,330	22,663	−3,333	11,307	9,648	+1,659	+1,365	+ 771	− 477	−1,674
1976		25,193	29,120	−3,927	14,799	11,932	+2,867	+2,227	+1,398	− 758	−1,060
1977		31,734	34,012	−2,278	16,582	14,510	+2,072	+3,026	+ 158	−1,112	− 206
1978		35,070	36,643	−1,573	18,667	16,318	+2,349	+3,426	+ 762	−1,839	+ 776
1979		40,687	44,184	−3,497	23,163	21,091	+2,072	+3,510	+ 868	−2,306	−1,425
1980		47,376	46,199	+1,177	25,167	23,581	+1,586	+3,725	− 32	−2,107	+2,763
1975	*1*	4,658	5,602	− 944	2,773	2,313	+ 460	+ 334	+ 191	− 65	− 484
	2	4,594	5,307	− 713	2,722	2,389	+ 333	+ 333	+ 148	− 148	− 380
	3	4,806	5,836	−1,030	2,809	2,409	+ 400	+ 327	+ 184	− 111	− 630
	4	5,272	5,918	− 646	3,003	2,537	+ 466	+ 371	+ 248	− 153	− 180
1976	*1*	5,599	6,123	− 524	3,339	2,709	+ 630	+ 525	+ 292	− 187	+ 106
	2	6,164	7,212	−1,048	3,569	2,873	+ 696	+ 505	+ 359	− 168	− 352
	3	6,401	7,627	−1,226	3,844	3,054	+ 790	+ 603	+ 378	− 191	− 436
	4	7,029	8,158	−1,129	4,047	3,296	+ 751	+ 594	+ 369	− 212	− 378
1977	*1*	7,438	8,370	− 932	4,030	3,460	+ 570	+ 688	+ 119	− 237	− 362
	2	7,915	8,831	− 916	4,097	3,612	+ 485	+ 773	− 10	− 278	− 431
	3	8,355	8,520	− 165	4,211	3,739	+ 472	+ 774	+ 20	− 322	+ 307
	4	8,026	8,291	− 265	4,244	3,699	+ 545	+ 791	+ 29	− 275	+ 280
1978	*1*	8,283	8,872	− 589	4,374	3,956	+ 418	+ 829	+ 117	− 528	− 171
	2	8,792	8,952	− 160	4,540	3,952	+ 588	+ 749	+ 255	− 416	+ 428
	3	8,856	9,415	− 559	4,812	4,153	+ 659	+ 928	+ 226	− 495	+ 100
	4	9,139	9,404	− 265	4,941	4,257	+ 684	+ 920	+ 164	− 400	+ 419
1979	*1*	8,311	9,747	−1,436	5,410	4,629	+ 781	+ 882	+ 412	− 513	− 655
	2	10,767	11,291	− 524	5,515	5,142	+ 373	+ 816	+ 91	− 534	− 151
	3	10,491	11,253	− 762	6,048	5,399	+ 649	+ 889	+ 389	− 629	− 113
	4	11,118	11,893	− 775	6,190	5,921	+ 269	+ 923	− 24	− 630	− 506
1980	*1*	11,871	12,259	− 388	6,460	5,986	+ 474	+ 963	+ 49	− 538	+ 86
	2	11,915	12,235	− 320	6,341	6,127	+ 214	+ 936	− 76	− 646	− 106
	3	11,700	11,084	+ 616	5,986	5,716	+ 270	+ 855	+ 8	− 593	+ 886
	4	11,890	10,621	+1,269	6,380	5,752	+ 628	+ 971	− 13	− 330	+1,897
1981	*1*[3]	..	..	..	6,921	5,970	+ 951	+1,035	+ 41	− 125	..
	2	..	..	..	..	..	..	..	..	..	..
1979	*J*	3,556	3,690	− 134	..	..	+ 216[2]	..	..	..	+ 82
	A	3,467	3,747	− 280	..	..	+ 216[2]	..	..	..	− 64
	S	3,468	3,816	− 348	..	..	+ 217[2]	..	..	..	− 131
	O	3,542	3,979	− 437	..	..	+ 90[2]	..	..	..	− 347
	N	3,800	3,961	− 161	..	..	+ 89[2]	..	..	..	− 72
	D	3,776	3,953	− 177	..	..	+ 90[2]	..	..	..	− 87
1980	*J*	4,053	4,046	+ 7	..	..	+ 158[2]	..	..	..	+ 165
	F	4,006	4,287	− 281	..	..	+ 158[2]	..	..	..	− 123
	M	3,812	3,926	− 114	..	..	+ 158[2]	..	..	..	+ 44
	A	3,953	4,252	− 299	..	..	+ 71[2]	..	..	..	− 228
	M	4,016	4,031	− 15	..	..	+ 71[2]	..	..	..	+ 56
	J	3,946	3,952	− 6	..	..	+ 72[2]	..	..	..	+ 66
	J	4,048	3,747	+ 301	..	..	+ 90[2]	..	..	..	+ 391
	A	3,781	3,810	− 29	..	..	+ 90[2]	..	..	..	+ 61
	S	3,871	3,527	+ 344	..	..	+ 90[2]	..	..	..	+ 434
	O	3,943	3,437	+ 506	..	..	+ 209[2]	..	..	..	+ 715
	N	3,948	3,538	+ 410	..	..	+ 209[2]	..	..	..	+ 619
	D	3,999	3,646	+ 353	..	..	+ 210[2]	..	..	..	+ 563
1981	*J*	4,006	3,264	+ 742	..	..	+ 317[2]	..	..	..	+1,059
	F[3]	3,833	3,519	+ 314	..	..	+ 317[2]	..	..	..	+ 631
	M	..	..	..	..	..	..	..	..	..	..

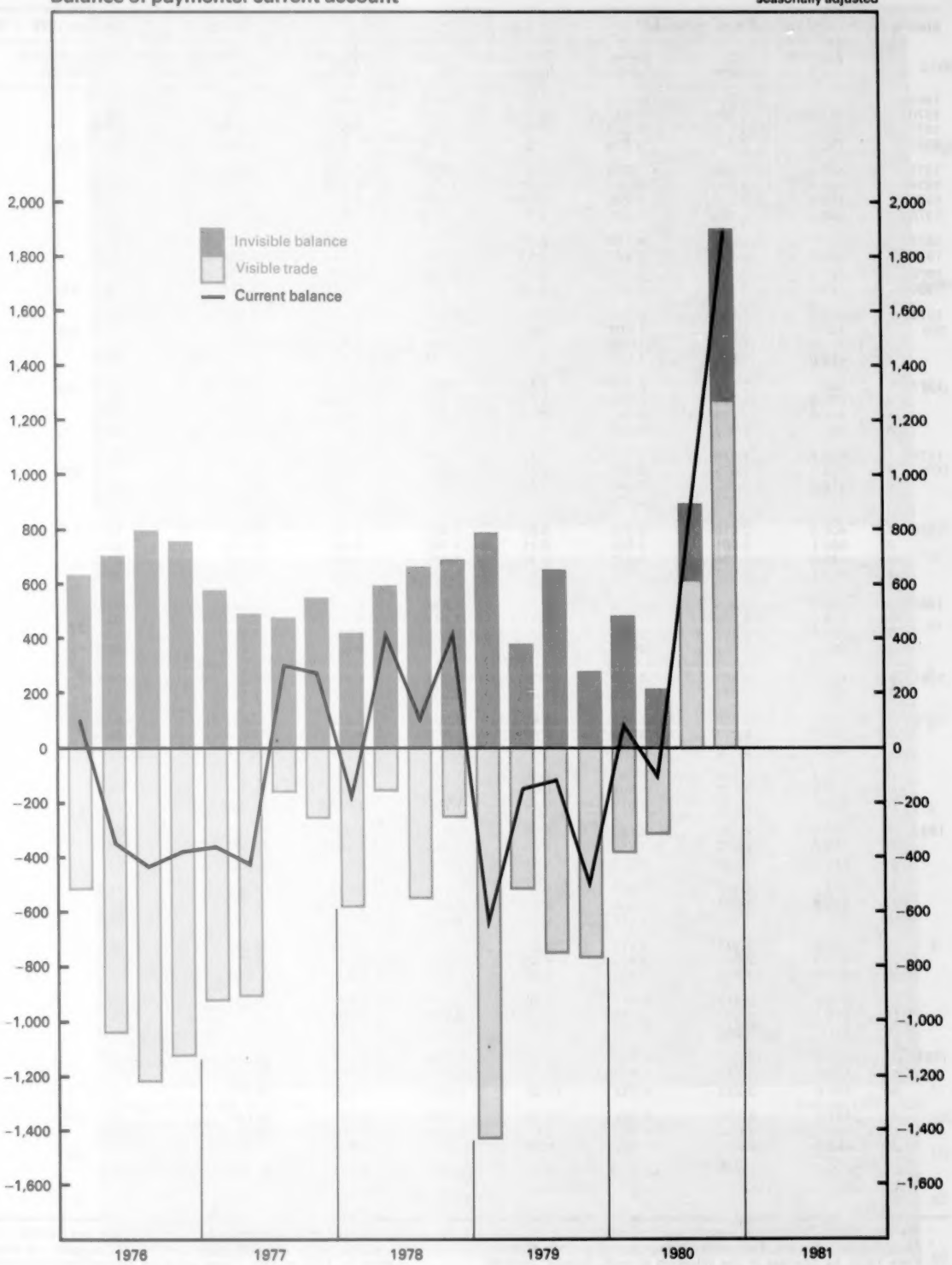
[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[3] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.

Balance of payments: current account

£ million, seasonally adjusted

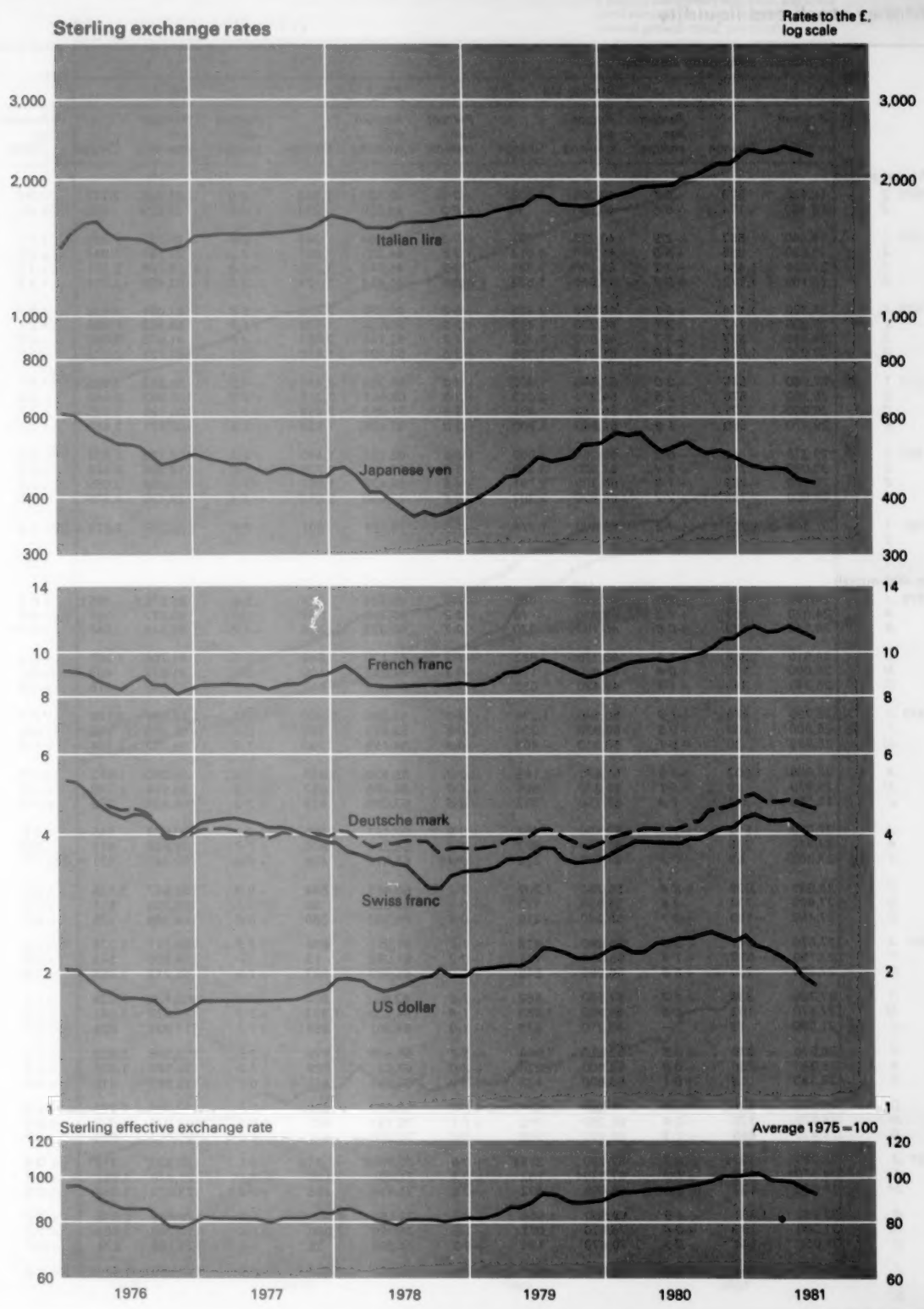


Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies[1]						$ million	Average 1975 = 100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1969		..	2·390	10·308	12·43	1,499	9·379	2,528	129·4
1970		857·8	2·396	10·327	13·24	1,502	8·736	2,827	128·1
1971		844·6	2·444	10·069	13·46	1,511	8·530	6,582	127·9
1972		752·3	2·502	9·554	12·62	1,460	7·975	5,646	123·3
1973		664·6	2·453	7·758	10·90	1,426	6·540	6,476	111·8
1974		682·7	2·340	6·965	11·25	1,522	6·049	6,789	108·3
1975		658·1	2·220	5·723	9·50	1,447	5·447	5,429	100·0
1976		535·4	1·805	4·521	8·61	1,497	4·552	4,129	85·7
1977		467·7	1·746	4·189	8·57	1,540	4·050	20,557	81·2
1978		402·7	1·920	3·423	8·64	1,628	3·850	15,694	81·5
1979		465·6	2·122	3·525	9·03	1,762	3·887	22,538	87·3
1980		525·6	2·328	3·894	9·82	1,992	4·227	27,476	96·1
1976	*1*	603·6	1·998	5·151	9·04	1,530	5·142	5,905	94·0
	2	539·8	1·805	4·504	8·49	1,554	4·619	5,312	86·3
	3	514·0	1·766	4·380	8·67	1,483	4·473	5,158	84·1
	4	484·8	1·651	4·038	8·23	1,424	3·977	4,129	78·1
1977	*1*	488·7	1·714	4·324	8·53	1,514	4·107	9,618	80·9
	2	473·0	1·719	4·315	8·51	1,523	4·059	11,572	80·6
	3	461·8	1·735	4·160	8·49	1,532	4·005	17,171	80·8
	4	447·4	1·813	3·962	8·76	1,592	4·032	20,557	82·6
1978	*1*	458·3	1·928	3·720	9·17	1,662	4·000	20,320	84·8
	2	404·6	1·835	3·516	8·45	1,583	3·809	16,542	79·9
	3	372·2	1·932	3·241	8·46	1,617	3·875	16,511	80·6
	4	377·2	1·984	3·222	8·51	1,649	3·718	15,694	80·6
1979	*1*	406·3	2·016	3·375	8·61	1,691	3·740	21,947	82·4
	2	453·1	2·081	3·565	9·11	1,762	3·944	22,070	87·0
	3	488·6	2·234	3·657	9·46	1,825	4·059	22,692	91·3
	4	513·7	2·157	3·505	8·94	1,771	3·810	22,538	88·5
1980	*1*	548·5	2·254	3·740	9·34	1,857	3·995	26,963	93·0
	2	528·6	2·286	3·833	9·61	1,942	4·132	28,172	94·5
	3	523·2	2·382	3·885	9·81	2,008	4·226	27,637	96·7
	4	502·2	2·387	4·115	10·53	2,159	4·551	27,476	100·2
1981	*1*	474·7	2·309	4·376	11·21	2,311	4·814	28,212	101·4
	2	456·5	2·077	4·024	11·25	2,354	4·728	25,631	97·8
1979	*J*	493·7	2·260	3·721	9·60	1,854	4·122	23,439	92·5
	A	487·4	2·238	3·708	9·52	1,833	4·095	23,245	91·8
	S	489·2	2·200	3·532	9·24	1,785	3·950	22,692	89·7
	O	493·3	2·145	3·491	9·00	1,770	3·836	22,318	88·0
	N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	88·1
	D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	89·6
1980	*J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	91·8
	F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	93·7
	M	548·2	2·206	3·865	9·51	1,898	4·081	26,963	93·5
	A	552·2	2·216	3·855	9·60	1,934	4·142	28,008	94·3
	M	525·4	2·304	3·830	9·63	1,942	4·125	28,284	94·7
	J	509·2	2·336	3·815	9·60	1,951	4·128	28,172	94·5
	J	524·3	2·373	3·812	9·62	1,973	4·145	28,272	95·6
	A	530·8	2·371	3·914	9·83	2,008	4·242	28,291	96·8
	S	515·1	2·402	3·936	9·99	2,045	4·297	27,637	97·6
	O	505·7	2·417	4·011	10·28	2,111	4·533	28,026	99·2
	N	510·1	2·396	4·135	10·63	2,177	4·593	28,189	101·1
	D	491·1	2·346	4·184	10·70	2,194	4·620	27,476	100·2
1981	*J*	485·9	2·405	4·376	11·16	2,289	4·829	28,394	102·0
	F	471·8	2·294	4·469	11·42	2,343	4·921	28,434	102·5
	M	466·6	2·233	4·292	11·09	2,303	4·703	28,212	99·7
	A	467·9	2·179	4·292	11·13	2,345	4·707	28,066	99·2
	M	461·0	2·090	4·312	11·47	2,386	4·793	26,487	98·8
	J	442·3	1·974	4·090	11·16	2,333	4·691	25,631	95·4
	J	435·2	1·876	3·932	10·87	2,278	4·577	24,568	92·5
	A								
	S								

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. Valuation changes at March 1981 reduced the level of reserves by $257 million. These valuation changes are described in detail in the footnotes of Table 19 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
Italian lira
Japanese yen
14
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling effective exchange rate
Average 1975 = 100
120
100
80
60
1976
1977
1978
1979
1980
1981

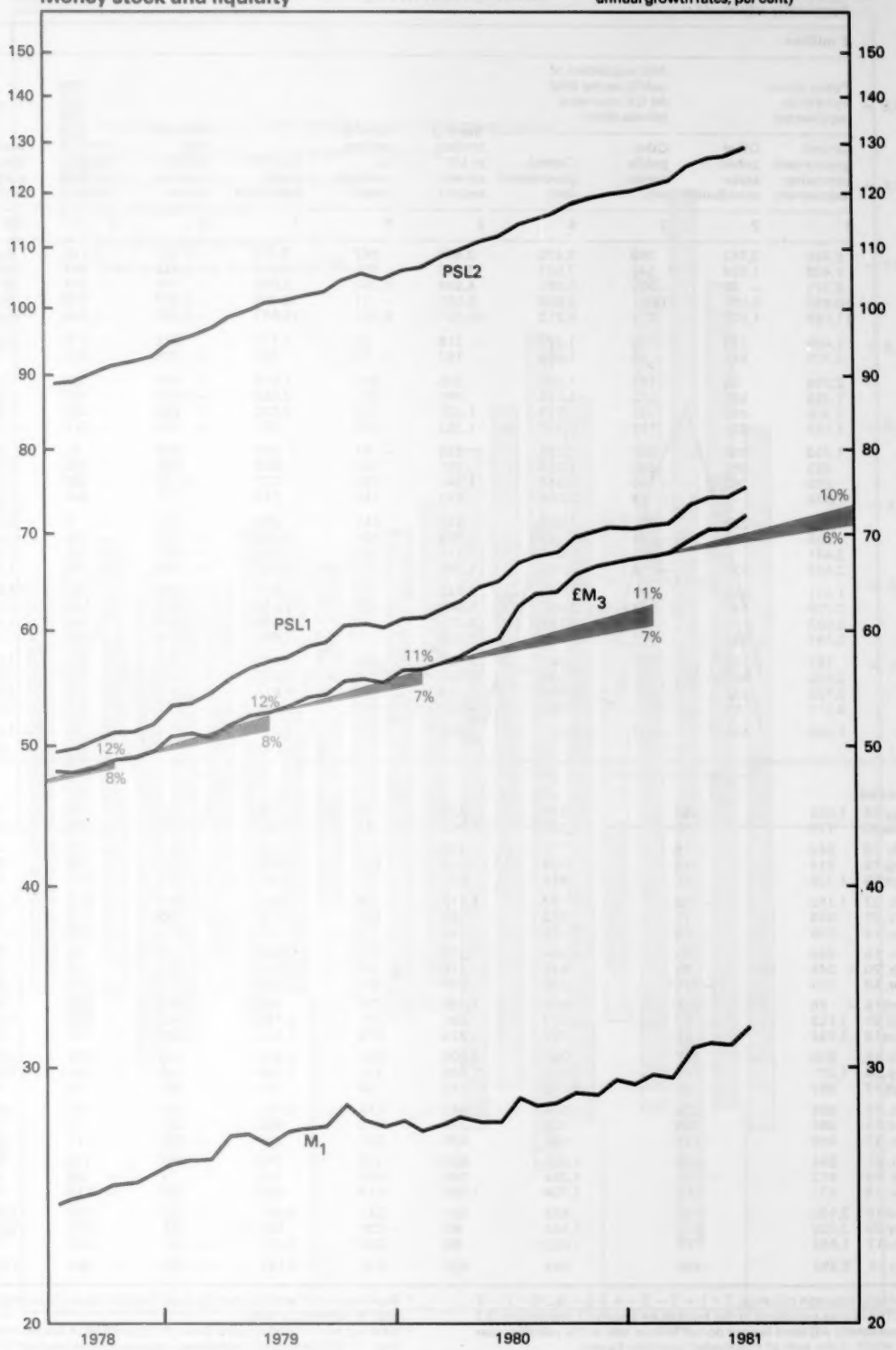
Money stock and liquidity

£ million, seasonally adjusted

	M1			Sterling M3			PSL 1			PSL 2		
	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change
At end period												
1976 3	19,100	578	+3·1	40,300	1,525	+3·9	42,837	1,602	+3·9	73,256	2,172	+3·1
4	18,980	−114	−0·6	40,380	90	+0·2	43,030	203	+0·5	73,829	583	+0·8
1977 1	19,540	552	+2·9	40,720	351	+0·9	43,284	244	+0·6	75,227	1,388	+1·9
2	20,530	985	+5·0	41,740	1,017	+2·5	44,281	987	+2·3	77,181	1,944	+2·6
3	22,020	1,484	+7·2	42,990	1,231	+2·9	45,510	1,235	+2·8	79,726	2,551	+3·3
4	23,180	1,172	+5·3	44,540	1,532	+3·6	46,614	1,124	+2·5	82,420	2,714	+3·4
1978 1	24,350	1,174	+5·1	46,880	2,325	+5·2	49,280	2,693	+5·8	87,081	4,688	+5·7
2	25,090	747	+3·1	48,230	1,363	+2·9	50,134	870	+1·8	88,903	1,838	+2·1
3	26,010	927	+3·7	49,560	1,326	+2·7	52,140	2,021	+4·0	91,970	3,082	+3·5
4	27,020	1,028	+4·0	51,310	1,758	+3·5	53,791	1,676	+3·2	94,721	2,776	+3·0
1979 1	27,580	549	+2·0	52,360	1,002	+2·0	56,262	2,445	+4·5	98,652	3,905	+4·1
2	28,250	676	+2·5	54,370	2,013	+3·8	58,651	2,391	+4·2	102,093	3,443	+3·5
3	28,950	727	+2·6	56,210	1,891	+3·5	61,053	2,459	+4·2	105,196	3,160	+3·1
4	29,470	559	+1·9	57,840	1,709	+3·0	62,498	1,528	+2·5	107,571	2,458	+2·3
1980 1	29,370	− 48	−0·2	59,250	1,507	+2·6	63,725	1,449	+2·3	110,173	2,824	+2·6
2	30,080	719	+2·4	62,520	3,293	+5·6	67,437	3,735	+5·9	114,598	4,448	+4·0
3	29,770	−299	−1·0	65,300	2,791	+4·5	69,429	1,967	+2·9	117,688	3,065	+2·7
4	30,560	796	+2·7	68,620	3,307	+5·1	72,550	3,052	+4·4	122,133	4,376	+3·7
1981 1	31,840	1,283	+4·2	69,890	1,226	+1·8	73,101	601	+0·8	125,217	2,979	+2·4
2												
At mid-month												
1978 J	24,100	482	+2·0	47,920	685	+1·4	49,424	387	+0·8	88,525†	795†	+0·9
A	24,370	283	+1·2	47,840	− 76	−0·2	49,736	321	+0·6	89,077	561	+0·6
S	24,540	183	+0·8	48,150	320	+0·7	50,328	598	+1·2	89,914	843	+0·9†
O	24,910	368	+1·5	48,770	632	+1·3	51,170	849	+1·7	91,204	1,297	+1·4
N	25,000	110	+0·4	48,920	170	+0·3	51,243	100	+0·2	91,674	497	+0·5
D	25,340	349	+1·4	49,430	532	+1·1	51,816	606	+1·2	92,457	816	+0·9
1979 J	25,790	473	+1·9	50,640	1,236	+2·5	53,385	1,600	+3·1	94,551	2,125	+2·3
F	25,900	133	+0·5	50,920	304	+0·6	53,513	155	+0·3	95,263	739	+0·8
M	25,910	30	+0·1	50,510	−400	−0·8	54,198	700	+1·3	96,352	1,104	+1·2
A	26,900	1,002	+3·9	51,670	1,166	+2·3	55,628	1,434	+2·6	98,260	1,912	+2·0
M	26,930	26	+0·1	52,370	686	+1·3	56,486	852	+1·5	99,514	1,248	+1·3
J	26,580	−344	−1·3	52,710	333	+0·6	57,078	578	+1·0	100,401	873	+0·9
J	27,070	512	+1·9	53,190	464	+0·9	57,487	386	+0·7	100,979	555	+0·6
A	27,310	235	+0·9	53,900	677	+1·3	58,319	807	+1·4	101,915	911	+0·9
S	27,360	53	+0·2	54,140	239	−0·4†	58,819	495	+0·8	102,741	821	+0·8
O	28,390	1,029	+3·8	55,350	1,202	+2·2	60,463	1,654	+2·8	104,857	2,126	+2·1
N	27,660	−734	−2·6	55,530	172	+0·3	60,539	60	+0·1	105,384	511	+0·5
D	27,460	−199	−0·7	55,340	−215	+0·4	60,190	−386	−0·6	104,996	−425	−0·4
1980 J	27,670	217	+0·8	56,280	928	+1·7	61,011	876	+1·5	106,217	1,276	+1·2
F	27,150	−512	−1·9	56,400	111	+0·2	61,062	13	—	106,800	545	+0·5
M	27,380	230	+0·8	56,960	542	+1·0	61,983	897	+1·5	108,212	1,388	+1·3
A	27,720	336	+1·2	57,520	562	+1·0	62,832	864	+1·4	109,422	1,225	+1·1
M	27,570	−162	−0·6	58,600	1,059	+1·8	64,235	1,383	+2·2	111,023	1,581	+1·4
J	27,580	13	—	59,210	576	+1·0	64,961	684	+1·1	111,933	868	+0·8
J	28,570	970	+3·5	62,310	3,064	+5·2	66,645	1,627	+2·5	113,845	1,855	+1·7
A	28,340	−236	−0·8	63,600	1,226	+2·0	67,421	689	+1·0	114,960	1,028	+0·9
S	28,390	28	+0·1	63,800	133	+0·2	67,941	442	+0·7	115,857	819	+0·7
O	28,870	466	+1·6	65,460	1,602	+2·5	69,697	1,686	+2·5	118,159	2,232	+1·9
N	28,770	−129	−0·4	66,250	712	+1·1	70,181	403	+0·6	119,078	838	+0·7
D	29,470	665	+2·3	66,900	556	+0·8	70,945	675	+1·0	120,017	850	+0·7
1981 J	29,280	−192†	−0·7	67,290	315†	+0·5	70,798†	− 94†	−0·1	120,830	711	+0·6
F	29,670†	378	+1·3	67,530†	152	+0·2	71,001	106	+0·1†	121,978	1,051	+0·9
M	29,540	−137	−0·5	68,000	432	+0·6	71,194	153	+0·2	123,072	1,054	+0·9
A	30,990	1,451	+4·9	69,500	1,504	+2·2	73,156	1,963	+2·8	125,669	2,598	+2·1
M	31,200	195	+0·6	70,570	1,071	+1·5	74,190	1,050	+1·4	127,246	1,593	+1·3
J	31,050	−144	−0·5	70,670	124	+0·2	74,203	35	—	127,748	524	+0·4
J	32,050	1,003	+3·2	72,140	1,511	+2·1	75,667	1,502	+2·0	129,559	1,849	+1·4
A												
S												

Money stock and liquidity

£ billion, seasonally adjusted, log scale
(and successive target ranges :
annual growth rates, per cent)



Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector							
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt	Sterling lending to UK private sector[2]	Sterling lending to overseas sector[3]	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	1	2	3	4	5	6	7	8	9	10
1976	6,786	2,342	295	5,470	3,464	647	7,474	−2,767	−1,142	3,565
1977	4,469	1,526	549	7,907	3,188	405	1,132	3,432	− 434	4,130
1978	8,371	− 40	−335	6,361	4,698	1,062	8,065	− 378	− 915	6,772
1979	10,430	2,157	1,011	9,895	8,585	− 11	10,255	−2,823	− 818	6,615
1980	11,154	1,151	373	9,212	10,027	2,794	15,541	−3,335	−1,308	10,898
1975 *3*	2,489	123	−134	1,278	− 318	21	1,171	202	− 170	1,203
4	2,300	541	75	1,965	− 197	− 79	525	− 208	− 366	− 49
1976 *1*	2,284	85	−165	1,333	375	343	1,919	− 544	− 268	1,107
2	1,453	961	213	1,074	681	261	2,069	−1,074	− 153	842
3	1,906	467	52	723	1,025	199	2,822	− 895	− 402	1,525
4	1,143	829	195	2,340	1,382	−156	663	− 254	− 319	90
1977 *1*	1,710	200	309	2,274	225	− 84	− 532	939	− 56	351
2	923	557	309	1,224	791	182	920	595	− 498	1,017
3	262	769	− 40	2,344	1,341	159	227	1,186	− 182	1,231
4	1,574	—	− 29	2,065	832	148	518	712	302	1,532
1978 *1*	1,522	−227	−327	1,267	897	646	1,898	431	− 4	2,325
2	1,956	−138	−324	1,767	1,390	294	2,059	− 240	− 456	1,363
3	2,441	4	320	1,537	1,217	47	1,852	− 420	− 106	1,326
4	2,452	321	− 4	1,790	1,194	75	2,256	− 149	− 349	1,758
1979 *1*	1,471	692	269	3,179	2,643	− 82	1,276	− 142	− 132	1,002
2	2,739	170	3	2,812	2,060	− 22	2,132	279	− 398	2,013
3	3,023	753	422	1,735	2,275	92	3,986	−1,844	− 251	1,891
4	3,197	542	317	2,169	1,607	1	2,861	−1,115	− 37	1,709
1980 *1*	187	−137	138	1,542	3,438	423	2,231	− 63	− 661	1,507
2	2,936	946	621	1,872	2,354	606	4,349	− 792	− 264	3,293
3	3,720	273	−222	2,934	3,128	807	5,216	−1,715	− 710	2,791
4	4,311	69	−164	2,864	1,107	958	3,745	− 765	327	3,307
1981 *1*	1,366	−476	−538	3,473	2,803	1,184	1,942	119	− 835	1,226
2										
Month ended										
1979 May 16	1,054	−248		673	627	70	830	− 50	− 94	686
June 20	779	195		1,349	1,041	− 77	589	89	− 345	333
July 18	844	− 6		730	439	− 11	536	16	− 88	464
Aug. 15	614	218		209	502	113	1,238	− 503	− 58	677
Sept. 19	1,226	88		811	531	− 34	1,000	− 659	− 102	239
Oct. 17	1,152	−609		−182	1,112	− 29	1,808	− 393	− 213	1,202
Nov. 21	379	70		652	983	103	883	− 706	− 5	172
Dec. 12	835	− 68		1,276	189	− 7	−327	220	− 108	− 215
1980 Jan. 16	484	433		1,564	1,387	175	915	79	− 66	928
Feb. 20	− 245	45		510	779	89	158	− 91	44	111
Mar. 19	784	−125†		234	364	101	890†	− 238†	− 110	542
April 16	− 66	155		660	1,297	222	948	− 277	− 109	562
May 21	1,152	− 57		373	595	−181	1,136	148	− 225	1,059
June 18	1,734	81		767	220	275	1,543	− 920	− 47	576
July 16	836	367		228	2,208	666	3,849	− 458	− 327	3,064
Aug. 20	1,207	140		1,032	1,103	350	1,768	− 346	− 196†	1,226
Sept. 17	967	34		1,073	723	84	735	− 562	− 40	133
Oct. 15	999	229		974	943	234	1,431	352	− 181	1,602
Nov. 19	984	108		928	310	515	989	− 289	12	712
Dec. 10	999	−124		654	475	232	928	− 255	− 117	556
1981 Jan. 21	394	309		1,035	829†	−155	342	− 153	126	315†
Feb. 18	412	− 76		1,284	648	403	103	77	− 28	152
Mar. 18	673	184		1,704	1,066	614	833	− 283	− 118	432
April 15	2,102	129		933	393	323	2,014	− 622	112	1,504
May 20	2,029	477		1,463	43	−135	951	251	− 131	1,071
June 17	1,669	129		1,023†	68	294†	1,137	− 597	− 416	124
July 15	2,292	−485		644	403	575	2,141	− 466	− 164	1,511

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 + 8 + 9 (The figures combined in the bracket are column 2 *less* column 3.)

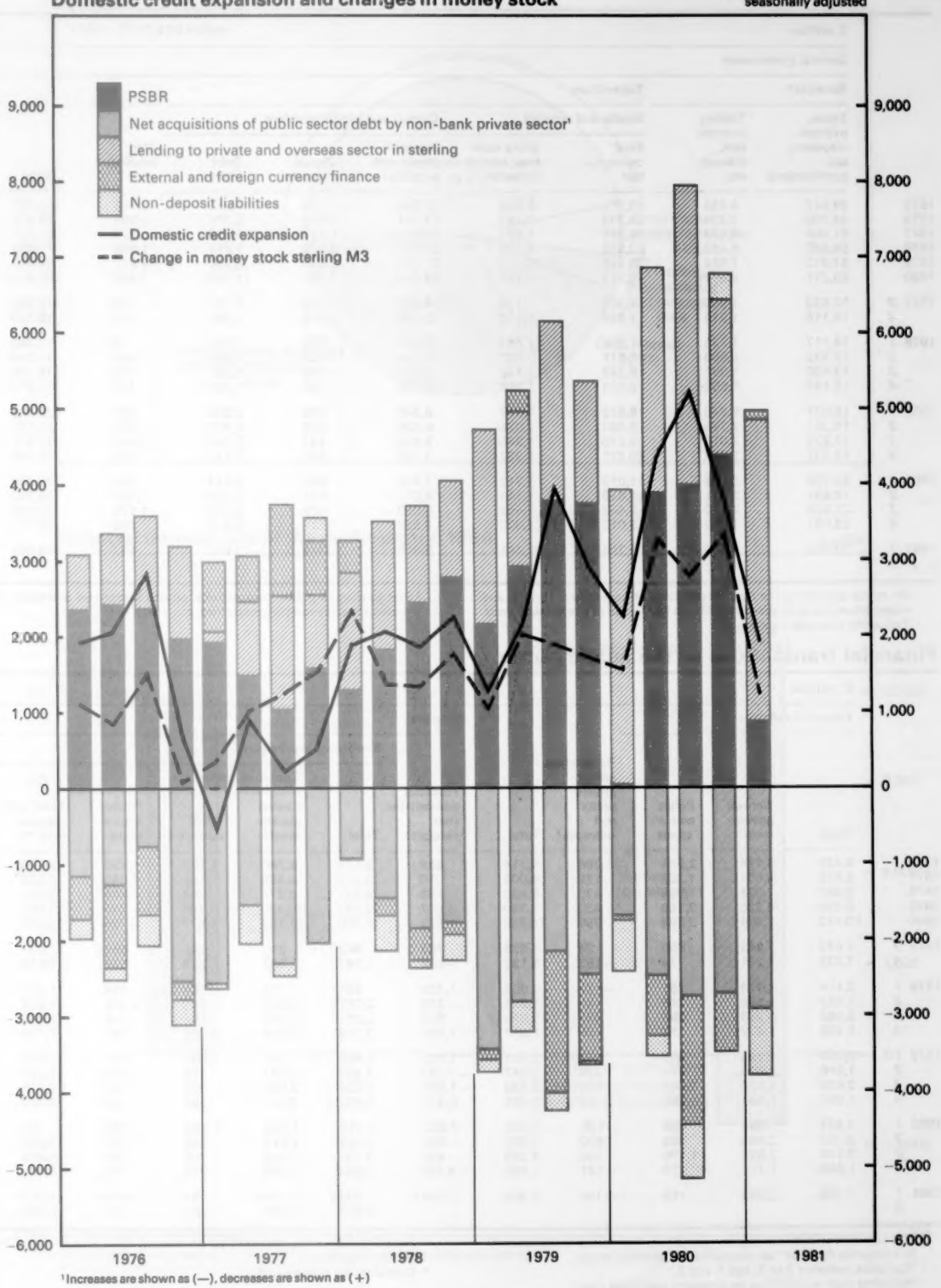
[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of ECGD-backed promissory notes acquired as part of money market smoothing operations.

Domestic credit expansion and changes in money stock

£ million, seasonally adjusted



[1] Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government								
	Receipts[2]		Expenditure						
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers				
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending, etc.[3]	Total
1975	38,547	4,439	23,074	5,064	14,353	1,196	4,211	3,755	51,653
1976	44,709	5,223	26,779	5,483	17,015	1,435	5,394	2,365	58,471
1977	51,004	5,909	29,210	4,934	19,513	1,537	6,373	254	61,821
1978	56,682	6,463	32,928	4,743	23,226	2,025	7,244	1,690	71,856
1979	67,912	7,554	38,248	5,219	27,374	1,895	8,950	3,273	84,959
1980	83,271	8,819	48,114	5,774	32,489	2,282	11,285	3,466	103,410
1977 *3*	12,823	1,697	7,368	1,170	4,850	328	1,747	89	15,552
4	13,115	1,314	7,545	1,192	5,087	378	1,480	— 91	15,589
1978 *1*	14,117	1,720	7,974	1,483	5,663	695	1,995	75	17,885
2	13,532	1,500	8,071	962	5,724	408	1,455	440	17,060
3	13,890	1,691	8,249	1,143	5,784	442	1,951	730	18,299
4	15,143	1,552	8,634	1,155	6,055	480	1,843	445	18,612
1979 *1*	16,021	1,948	8,873	1,517	6,545	499	2,330	554	20,318
2	16,341	1,768	9,284	1,025	6,826	456	1,918	672	20,181
3	17,223	2,015	9,870	1,345	6,658	447	2,540	1,055	21,915
4	18,327	1,823	10,221	1,332	7,345	493	2,162	992	22,545
1980 *1*	20,765	2,119	11,010	1,712	7,815	599	3,144	155	24,435
2	18,831	2,231	11,649	1,140	8,077	531	2,328	1,437	25,162
3	21,584	2,220	12,443	1,402	8,069	625	3,288	1,176	27,003
4	22,091	2,249	13,012	1,520	8,528	527	2,525	698	26,810
1981 *1*	23,650	2,475	13,394	1,743	9,008	745	3,618	393	28,901
2									

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

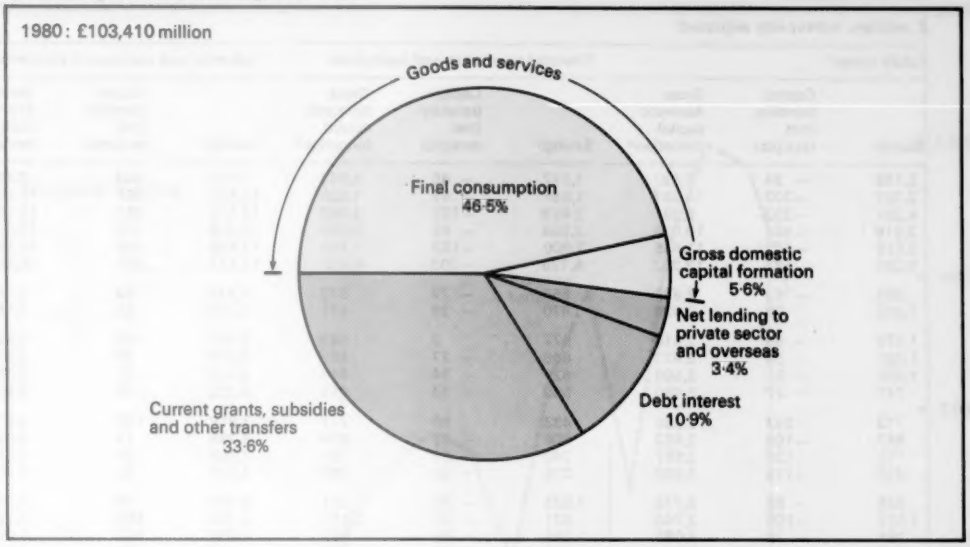
Financial transactions of the public sector

£ million

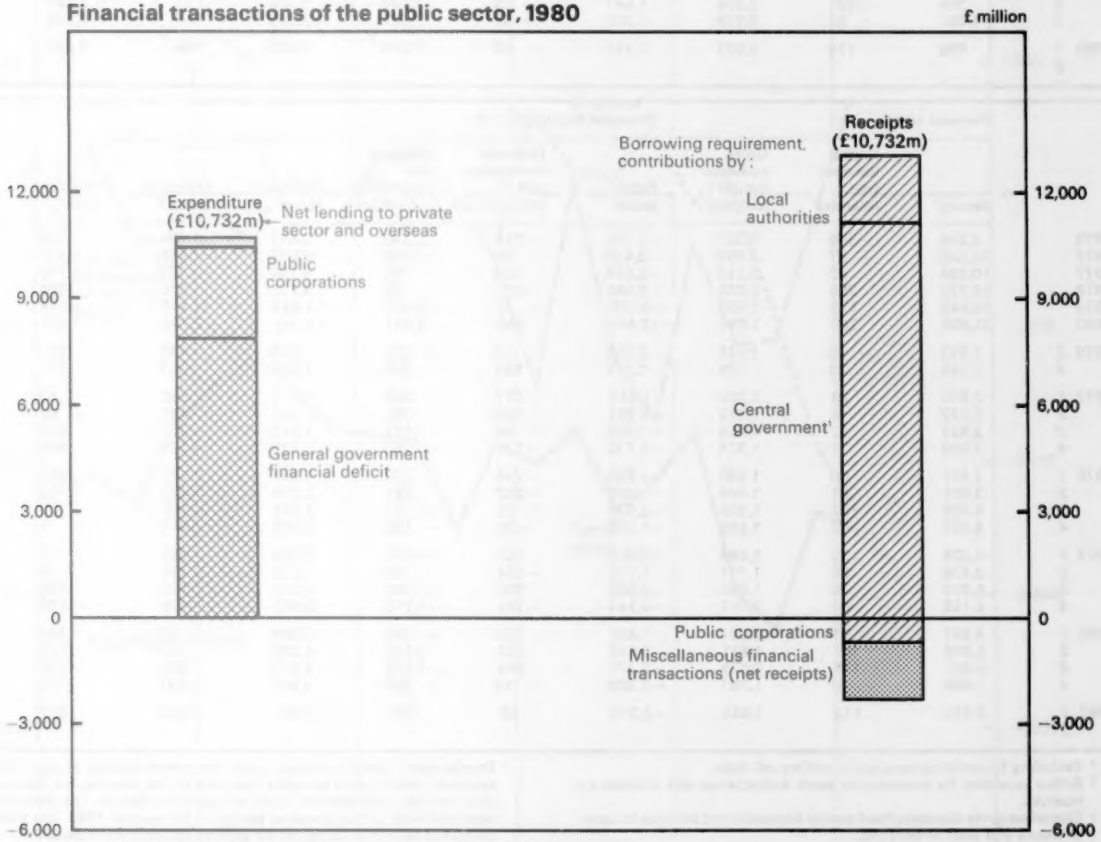
	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total [5§]
1976	8,428	6,174	2,254	1,286	9,714	586	9,128	6,786	1,103	1,239	9,128
1977	5,876	4,654	1,222	129	6,005	10	5,995	4,469	183	1,343	5,995
1978	8,060	7,021	1,039	470	8,530	199	8,331	8,371	659	—699	8,331
1979	8,328	6,220	2,108	432	8,760	—3,827	12,587	10,430	1,784	373	12,587
1980	10,442	7,854	2,588	290	10,732	—1,573	12,305	11,154	1,877	—726	12,305
1977 *3*	1,673	943	730	23	1,696	753	943	210	269	464	1,031
4	1,325	1,251	74	—192	1,133	—834	1,967	1,884	—293	376	1,574
1978 *1*	2,154	1,973	181	—122	2,032	1,433	599	534	709	—644	1,295
2	1,837	1,588	249	148	1,985	—232	2,217	2,659	—136	—306	1,818
3	2,583	1,988	595	293	2,876	579	2,297	2,259	154	—116	2,445
4	1,486	1,472	14	151	1,637	—1,581	3,218	2,919	— 68	367	2,773
1979 *1*	2,334	1,795	539	167	2,501	1,035	1,466	247	1,000	219	2,163
2	1,816	1,400	416	228	2,042	—1,293	3,335	3,797	—226	—236	2,909
3	2,625	1,622	1,003	105	2,730	—1,094	3,824	2,842	650	332	3,776
4	1,553	1,403	150	—66	1,487	—2,475	3,962	3,544	360	58	3,739
1980 *1*	1,834	1,396	438	—125	1,709	2,927	—1,218	—1,956	1,394	—656	50
2	3,569	2,663	906	410	3,979	—869	4,848	4,619	555	—326	3,882
3	3,193	2,023	1,170	166	3,359	—432	3,791	3,246	338	207	3,993
4	1,846	1,772	74	—161	1,685	—3,199	4,884	5,245	—410	49	4,380
1981 *1*	2,498	2,383	115	—194	2,304	2,506†	—202†	—174†	591†	—619†	1,019†
2							7,803	7,396	340	67	6,454

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net.)
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

General government expenditure



Financial transactions of the public sector, 1980



[1] Including borrowing matched by on-lending to local authorities and public corporations.

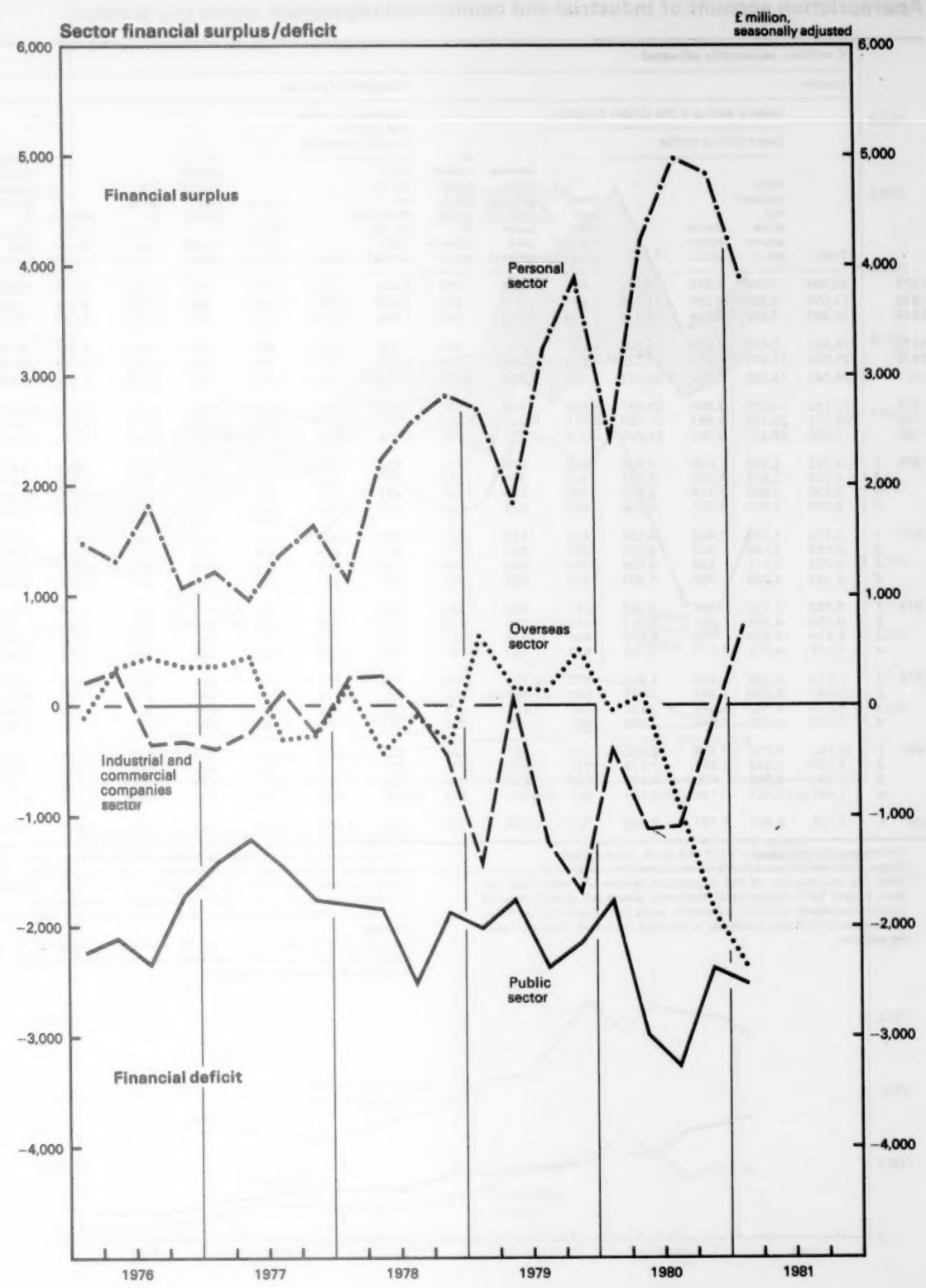
Sector financial accounts

£ million, seasonally adjusted

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1975	2,149	− 34	9,820	1,112	− 65	1,563	9,692	404	9,453
1976	2,762	−203	10,987	1,981	− 97	1,920	13,259	357	13,770
1977	4,287	−232	9,931	2,413	−101	2,182	14,103	251	15,109
1978	2,616	−601	10,075	2,554	− 65	3,096	15,575	370	15,917
1979	3,519	−302	11,545	3,900	−193	3,780	17,536	320	22,184
1980	3,293	−483	13,252	5,726	−203	4,633	13,123	387	16,331
1976 *3*	393	− 53	2,696	555	− 29	522	3,343	92	3,795
4	1,005	− 98	2,626	670	− 29	511	3,770	94	4,189
1977 *1*	1,178	− 85	2,510	677	3	463	3,737	49	4,182
2	1,281	− 69	2,423	606	− 37	460	3,615	90	3,938
3	1,081	− 51	2,508	621	− 34	646	3,429	53	3,355
4	747	− 27	2,490	509	− 33	613	3,322	59	3,634
1978 *1*	773	−253	2,330	433	90	777	3,818	103	3,671
2	847	−108	2,592	606	− 52	816	4,238	79	4,030
3	161	−125	2,557	740	− 51	751	3,898	94	4,015
4	835	−115	2,596	775	− 52	752	3,621	94	4,201
1979 *1*	825	− 63	2,778	1,023	− 20	821	3,856	50	5,380
2	1,072	−105	2,746	921	− 57	1,118	4,783	106	4,791
3	781	− 78	3,092	1,061	− 59	862	4,655	102	5,997
4	841	− 56	2,929	895	− 57	979	4,242	62	6,016
1980 *1*	1,434	− 95	3,143	1,183	− 18	1,063	4,796	32	5,218
2	504	−123	3,359	1,607	− 58	1,187	3,553	80	4,753
3	304	−201	3,374	1,547	− 59	1,046	2,419	135	3,657
4	1,051	− 64	3,376	1,389	− 68	1,337	2,355	140	2,703
1981 *1*	688	−179	3,023	1,344	− 40	1,246	3,442	106	2,833
2									

	Personal sector			Financial Surplus/Deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1975	9,344	−305	3,397	−7,705	−516	643	5,642	1,674	262
1976	10,048	− 57	4,304	−8,428	− 36	− 154	5,687	1,060	1,871
1977	10,324	82	5,216	−5,876	130	− 755	5,190	206	1,105
1978	14,370	296	5,935	−8,060	−607	28	8,731	−776	684
1979	18,945	175	7,480	−8,328	− 73	−4,328	11,640	1,425	−336
1980	23,993	299	7,895	−10,442	890	−2,821	16,397	−2,763	−1,261
1976 *3*	2,970	− 10	1,141	−2,356	4	− 360	1,819	436	457
4	2,248	33	1,196	−1,719	130	− 325	1,085	378	451
1977 *1*	2,470	33	1,286	−1,417	217	− 396	1,217	362	17
2	2,222	16	1,272	−1,211	109	− 233	966	431	− 62
3	2,624	32	1,284	−1,478	− 59	127	1,372	−307	345
4	3,008	1	1,374	−1,770	−137	− 253	1,635	−280	805
1978 *1*	2,437	60	1,360	−1,810	−254	250	1,137	171	506
2	3,601	81	1,468	−1,853	−262	287	2,214	−428	42
3	4,028	82	1,539	−2,521	− 62	− 23	2,571	−100	135
4	4,304	73	1,568	−1,876	− 29	− 486	2,809	−419	1
1979 *1*	4,229	33	1,566	−2,016	182	−1,474	2,696	655	− 43
2	3,478	56	1,701	−1,779	−254	98	1,833	151	− 49
3	5,079	35	1,896	−2,389	140	−1,240	3,218	113	158
4	6,159	51	2,317	−2,144	−141	−1,712	3,893	506	−402
1980 *1*	4,527	81	2,224	−1,804	102	− 390	2,384	− 86	−206
2	5,939	101	1,831	−2,978	362	−1,120	4,209	106	−579
3	6,921	125	2,073	−3,271	442	−1,103	4,973	−886	−155
4	6,606	− 8	1,767	−2,389	− 16	− 208	4,831	−1,897	−321
1981 *1*	5,701	113	1,924	−2,514	58	715	3,890	−2,366	217
2									

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. Because of the civil service dispute, data are not available for trade in goods in March. The financial surplus/deficit of the overseas sector in 1st quarter 1981 has been estimated by including figures for exports and imports of goods in the period December 1980/February 1981 as the goods component of net exports of goods and services in the 1st quarter of 1981.
[6] The residual error in the national income accounts.


Sector financial surplus/deficit
£ million, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1976
1977
1978
1979
1980
1981

Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

		Income							Allocation of income						
			Income arising in the United Kingdom						Dividends, interest and current transfer payments						
			Gross trading profits												
		Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1972		10,398	7,692	1,075	8,767	605	1,026	395	1,524	1,529	549	321	1,036	5,760	5,686
1973		14,076	8,850	2,290	11,140	997	1,939	761	1,638	2,394	665	368	1,303	8,076	7,683
1974		15,637	7,500	4,714	12,214	1,280	2,143	791	1,469	3,376	525	260	2,070	8,197	7,666
1975		16,642	9,459	4,276	13,735	1,266	1,641	846	1,508	3,352	447	224	1,643	9,692	9,070
1976		21,030	11,867	5,256	17,123	1,559	2,348	1,340	1,725	3,879	744	204	1,423	13,259	12,123
1977		24,043	16,395	3,836	20,231	1,498	2,314	1,085	2,119	3,754	1,752	1,150	2,315	14,103	14,168
1978		27,183	19,329	3,368	22,697	1,820	2,666	1,022	2,551	4,182	1,928	984	2,947	15,575	15,537
1979		35,519	20,776	6,983	27,759	2,511	5,249	1,360	4,104	6,173	3,833	2,366	3,873	17,536	18,542
1980		34,880	22,297	5,283	27,580	3,004	4,296	1,096	3,968	8,096	4,130	2,709	5,563	13,123	14,736
1976	*1*	4,732	2,826	1,048	3,874	333	525	325	424	859	196	93	300	2,953	2,721
	2	4,994	2,825	1,236	4,061	368	565	318	420	888	135	−5	358	3,193	2,870
	3	5,296	2,862	1,418	4,280	393	623	349	431	972	193	−11	357	3,343	2,983
	4	6,008	3,354	1,554	4,908	465	635	348	450	1,160	220	127	408	3,770	3,549
1977	*1*	6,235	3,792	1,402	5,194	431	610	267	497	1,103	368	235	530	3,737	3,705
	2	6,062	4,194	902	5,096	363	603	278	511	929	458	316	549	3,615	3,653
	3	5,962	4,111	928	5,039	360	563	266	548	900	472	318	613	3,429	3,481
	4	5,784	4,298	604	4,902	344	538	274	563	822	454	281	623	3,322	3,329
1978	*1*	6,362	4,728	674	5,402	367	593	230	606	834	435	273	669	3,818	3,861
	2	6,958	4,954	887	5,841	441	676	258	638	986	433	269	663	4,238	4,249
	3	6,819	4,875	790	5,665	480	674	307	609	1,124	473	252	715	3,898	3,843
	4	7,044	4,772	1,017	5,789	532	723	227	698	1,238	587	190	900	3,621	3,584
1979	*1*	7,612	4,440	1,426	5,866	572	1,174	296	759	1,411	708	277	878	3,856	3,837
	2	8,947	5,506	1,667	7,173	589	1,185	307	807	1,414	969	733	974	4,783	5209,
	3	9,274	5,192	1,944	7,136	661	1,477	415	1,065	1,592	1,000	800	962	4,655	5,040
	4	9,686	5,638	1,946	7,584	689	1,413	342	1,473	1,756	1,156	556	1,059	4,242	4,456
1980	*1*	10,163	5,750	2,336	8,086	719	1,358	439	843	1,960	1,142	949	1,422	4,796	5,306
	2	9,030	5,842	1,331	7,173	731	1,126	271	1,101	2,070	1,192	686	1,114	3,553	3,968
	3	7,756	5,252	880	6,132	753	871	214	983	2,074	823	539	1,457	2,419	2,744
	4	7,931	5,453	736	6,189	801	941	172	1,041	1,992	973	535	1,570	2,355	2,718
1981	*1*	8,736	5,804	1,101	6,905	767	1,064	353	815	1,889	924	557	1,666	3,442	3,646

[1] Before providing for depreciation and stock appreciation.

[2] These items are included solely as memorandum items.

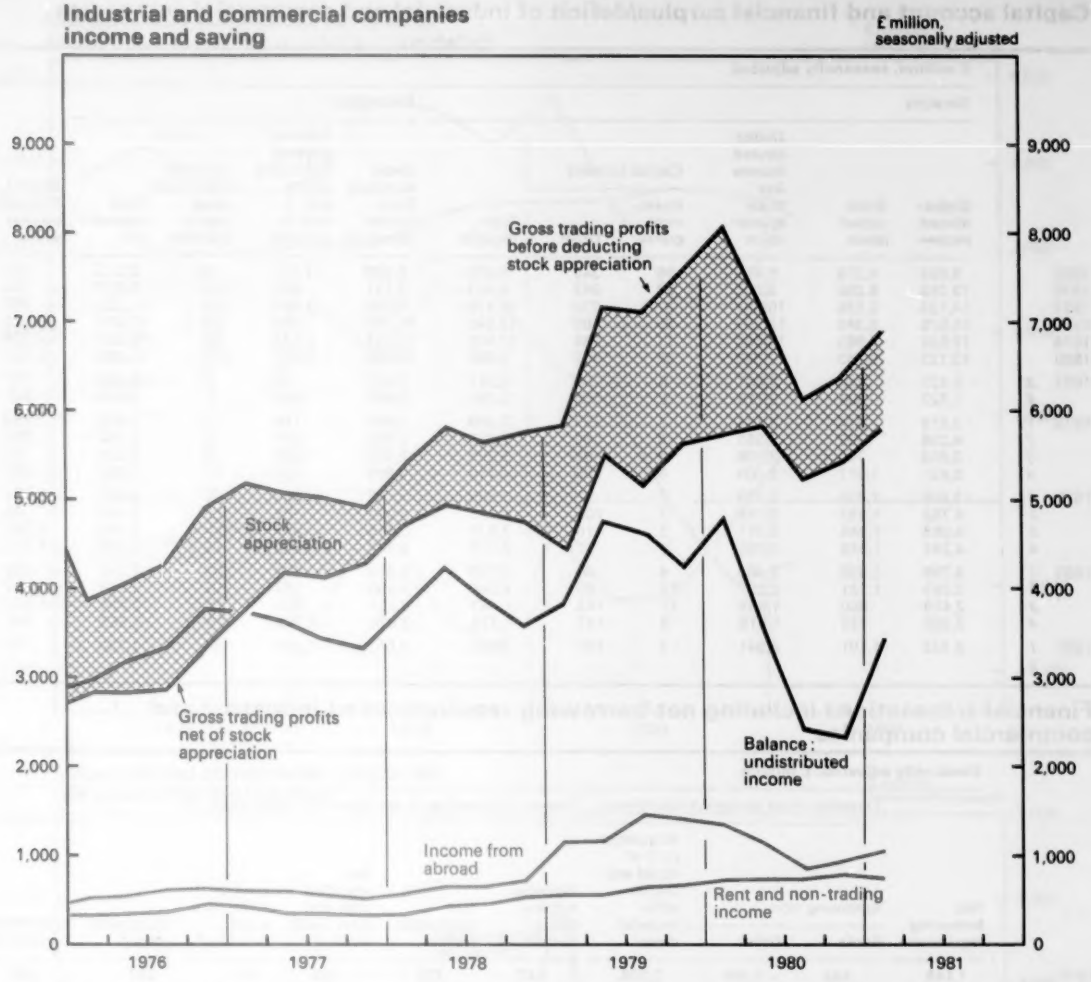
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.

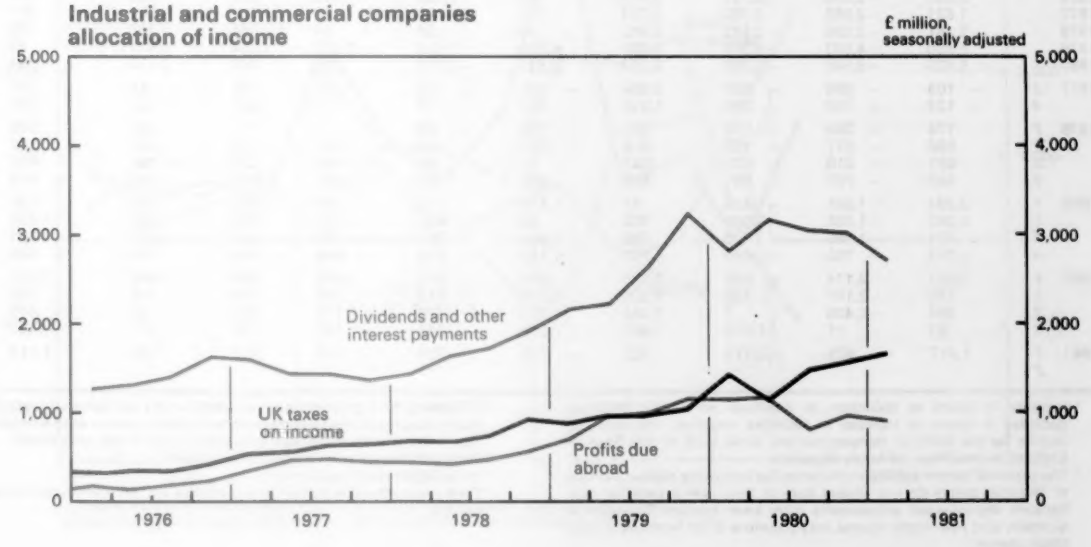
[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

		Receipts						Expenditure				
		Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Capital transfers: Investment grants	Capital transfers: Other	Total receipts	Gross domestic fixed capital formation	Value of physical increase of stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: Financial surplus/deficit
1975		9,692	4,276	5,416	96	346	5,858	6,908	−1,731	38	5,215	643
1976		13,259	5,256	8,003	58	342	8,403	8,111	403	43	8,557	− 154
1977		14,103	3,836	10,267	32	279	10,578	9,703	1,570	60	11,333	− 755
1978		15,575	3,368	12,207	29	409	12,645	11,793	756	68	12,617	− 28
1979		17,536	6,983	10,553	17	389	10,959	13,057	2,144	86	15,287	−4,328
1980		13,123	5,283	7,840	33	462	8,335	14,539	−3,491	108	11,156	−2,821
1977	*3*	3,429	928	2,501	6	54	2,561	2,422	5	7	2,434	127
	4	3,322	604	2,718	8	58	2,784	2,646	384	7	3,037	− 253
1978	*1*	3,818	674	3,144	7	137	3,288	2,897	100	41	3,038	250
	2	4,238	887	3,351	8	80	3,439	2,942	201	9	3,152	287
	3	3,898	790	3,108	8	92	3,208	2,965	260	6	3,231	− 23
	4	3,621	1,017	2,604	6	100	2,710	2,989	195	12	3,196	− 486
1979	*1*	3,856	1,426	2,430	5	93	2,528	3,046	908	48	4,002	−1,474
	2	4,783	1,667	3,116	7	109	3,232	3,033	91	10	3,134	98
	3	4,655	1,944	2,711	2	110	2,823	3,416	637	10	4,063	−1,240
	4	4,242	1,946	2,296	3	77	2,376	3,562	508	18	4,088	−1,712
1980	*1*	4,796	2,336	2,460	4	86	2,550	3,552	− 670	58	2,940	− 390
	2	3,553	1,331	2,222	10	86	2,318	3,590	− 168	16	3,438	−1,120
	3	2,419	880	1,539	11	143	1,693	3,727	− 950	19	2,796	−1,103
	4	2,355	736	1,619	8	147	1,774	3,670	−1,703	15	1,982	− 208
1981	*1*	3,442	1,101	2,341	7	157	2,505	3,551	−1,819	58	1,790	715
	2											

Financial transactions including net borrowing requirement of industrial and commercial companies

Seasonally adjusted, £ million

		Financing of net borrowing requirement[1,2]			Transactions leading to net borrowing requirement					
		Net borrowing requirement	Borrowing from: Banks	Borrowing from: Other	Acquisition (+) of liquid and certain other financial assets	Financial surplus/deficit[3] (deficit: +)	Net unremitted profits[4]	Net identified trade and other credit received[5]	Investment in UK securities[6]	Investment abroad	Unidentified transactions
1975		1,148	− 482	−2,994	2,328	− 643	622	− 292	367	287	807
1976		2,662	−2,398	−2,737	2,473	154	1,136	399	857	666	− 550
1977		1,521	−2,966	−2,292	3,737	755	− 65	50	687	791	− 697
1978		2,481	−2,890	−2,543	2,952	− 28	38	− 44	765	2,140	− 390
1979		5,850	−4,903	−1,948	1,001	4,328	−1,006	−2,022	1,054	3,411	85
1980		5,533	−6,640	−2,096	3,203	2,821	−1,613	678	903	2,150	594
1977	*3*	− 103	− 954	− 509	1,566	− 127	− 52	161	195	84	− 364
	4	− 127	− 754	− 371	1,252	253	− 7	− 27	197	52	− 595
1978	*1*	774	− 393	−1,278	897	− 250	− 43	2	179	300	586
	2	536	− 971	− 183	618	− 287	− 11	101	155	206	372
	3	691	− 819	− 421	549	23	55	266	225	552	− 430
	4	480	− 707	− 661	888	486	37	− 413	206	1,082	− 918
1979	*1*	2,384	−1,981	− 474	71	1,474	19	− 140	205	947	− 121
	2	1,242	−1,085	−1,079	922	− 98	− 426	− 437	235	633	1,335
	3	711	−1,085	9	365	1,240	− 385	− 781	261	1,057	− 681
	4	1,513	− 752	− 404	− 357	1,712	− 214	− 664	353	774	− 448
1980	*1*	3,947	−2,114	− 694	−1,139	390	− 510	1,365	169	908	1,625
	2	679	−2,107	120	1,308	1,120	− 415	− 270	174	790	− 720
	3	994	−2,430	− 7	1,443	1,103	− 325	175	423	80	− 462
	4	− 87	11	−1,515	1,591	208	− 363	− 592	137	372	151
1981	*1*	1,417	975	−2,717	325	− 715	− 204	809	217	198	1,112
	2										

[1] Increase in assets or reduction in liabilities are shown positive; decrease in assets or increase in liabilities negative. The seasonal factors for the financial transactions are those used by the Bank of England in their flow of funds accounts.

[2] The seasonal factors applied to the series for borrowing and acquisition of financial assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. The sum of quarterly and half-yearly figures may therefore differ from the annual totals shown.

[3] Following the sign convention adopted for the net borrowing requirement a surplus on the financial surplus/deficit is shown with a negative sign – the reverse of the sign convention used in the table above.

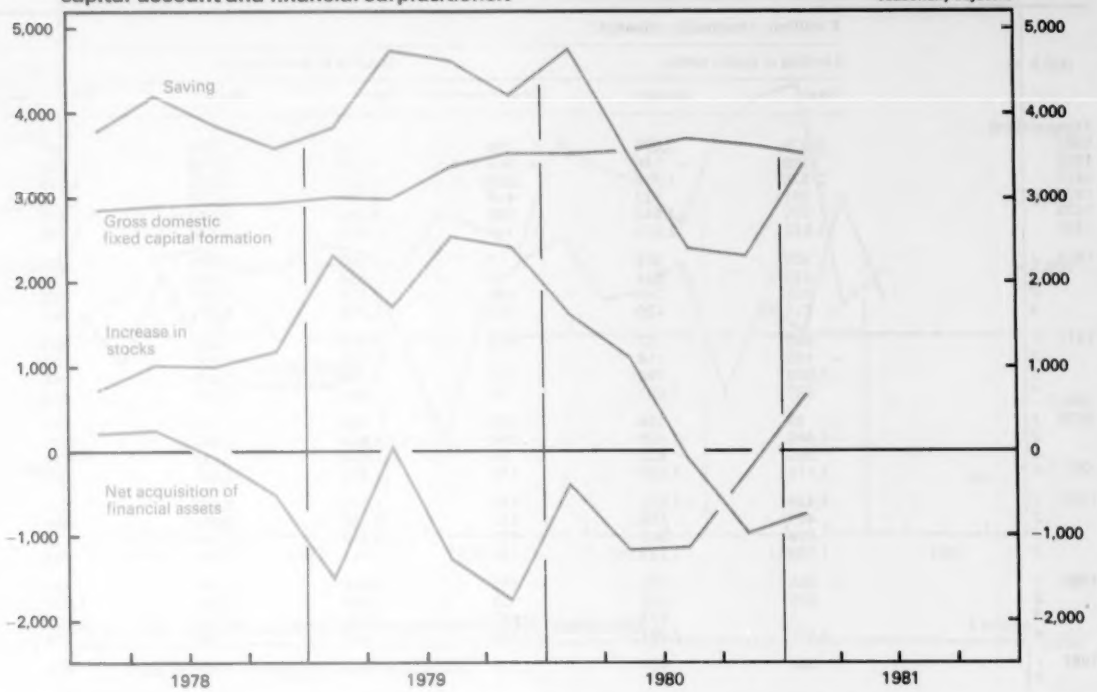
[4] Retained abroad or in the United Kingdom.

[5] Including accruals adjustment (—).

[6] Cash expenditure on acquiring subsidiaries and on trade investment in the UK.

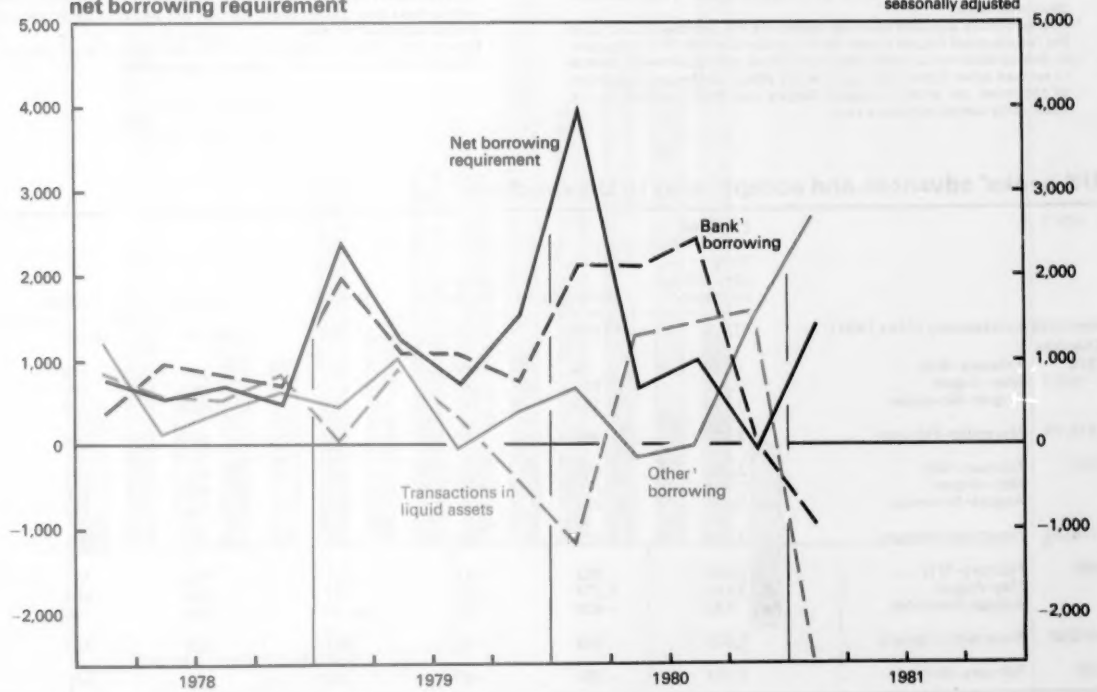
Industrial and commercial companies capital account and financial surplus/deficit

£ million, seasonally adjusted



Industrial and commercial companies net borrowing requirement

£ million, seasonally adjusted



[1] Following the sign convention adopted for the net borrowing requirement, a surplus on the financial surplus/deficit is shown with a negative sign — a reverse of the sign convention used in the table.

UK Banks' lending[1] to UK residents

	£ million, seasonally adjusted[2]					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1975	3,379	3,096	283	124	− 373	497
1976	288	− 146	434	3,387	3,138	249
1977	2,378	1,696	682	4,707	3,492	1,215
1978	− 291	123	− 414	5,791	4,710	1,081
1979	955	1,540	− 585	9,481	8,573	908
1980	1,620	2,374	− 754	10,893	9,624	1,269
1976 *1*	329	312	17	308	372	− 64
2	− 490	− 544	54	595	675	− 80
3	901	743	158	1,170	1,017	153
4	− 215	− 420	205	1,313	1,073	240
1977 *1*	565	62	503	1,013	459	554
2	− 118	− 118	—	1,035	875	160
3	1,009	760	249	1,379	1,318	61
4	937	1,007	− 70	1,281	841	440
1978 *1*	− 85	144	− 229	996	797	199
2	−1,668	−1,428	− 240	1,868	1,393	475
3	360	420	− 60	1,614	1,299	315
4	1,115	1,000	115	1,313	1,221	92
1979 *1*	−1,424	−1,272	− 152	2,923	2,632	291
2	457	608	− 151	2,555	2,070	485
3	654	805	− 151	2,312	2,284	28
4	1,002	1,133	− 131	1,691	1,587	104
1980 *1*	− 884	− 702	− 182	3,076	2,674	393
2	425	403	22	3,594	2,593	1,001
3	2	422	− 420	3,786	3,657	129
4	2,077	2,251	− 174	446	700	− 254
1981 *1*	560	484	76	943	383	560
2						

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

[4] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

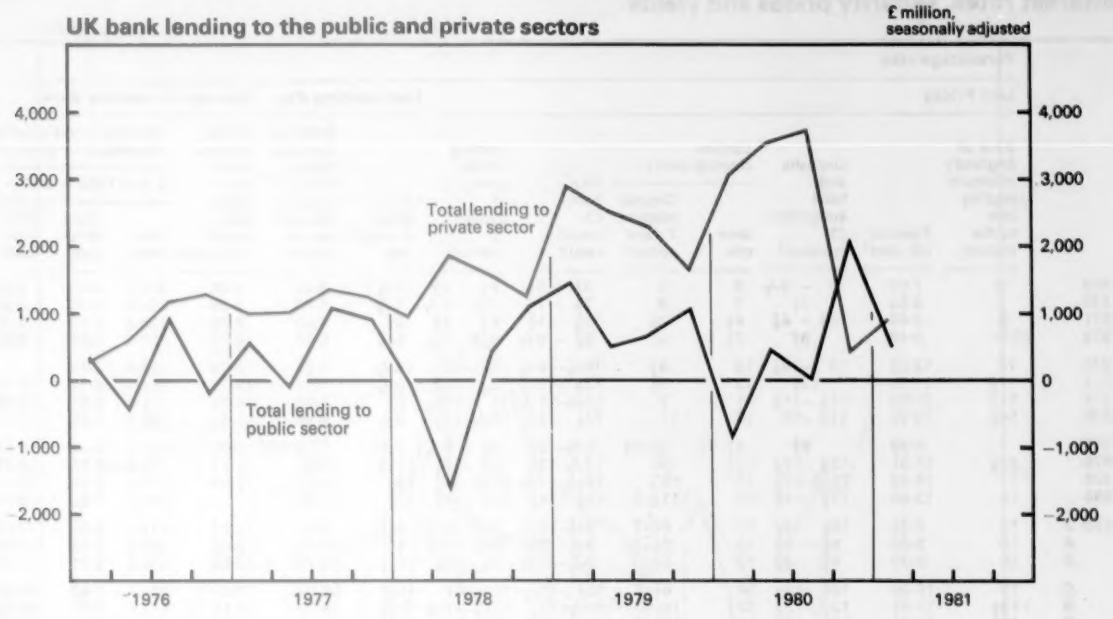
[5] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.

UK banks' advances and acceptances to UK residents[1]

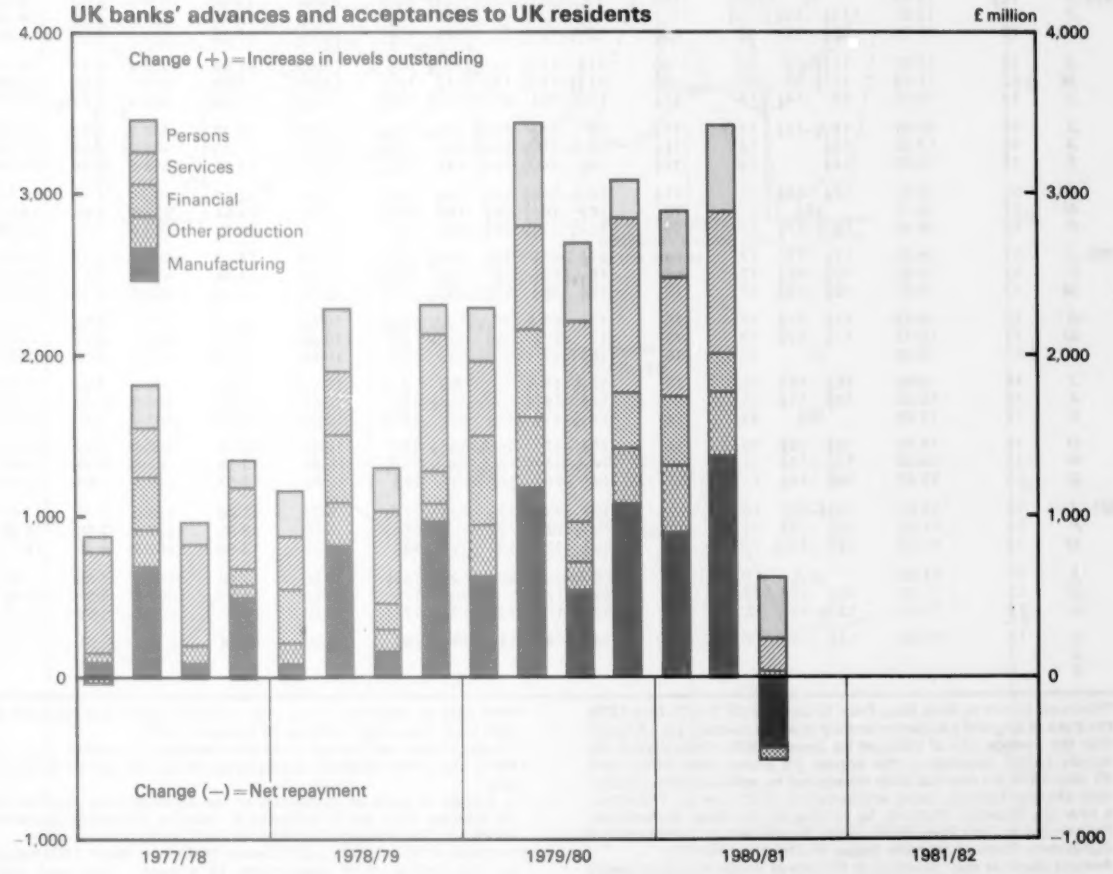
		£ million					
		Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (May 1981):		67,815	17,624	7,771	10,892	21,166	10,362
Changes							
1978	February–May	1,198	79	134	338	373	274
	May–August	2,245	825	262	421	350	388
	August–November	1,299	166	145	155	569	264
1978/79	November–February	2,304	968	102	199	856	180
1979	February–May	2,305	633	332	531	472	338
	May–August	3,451	1,184	432	551	628	656
	August–November	2,681	541	181	248	1,228	483
1979/80	November–February	3,151	1,075	348	333	1,173	221
1980	February–May	2,818	912	411	381	700	415
	May–August	3,449	1,374	411	257	855	551
	August–November	142	−428	44	− 86	226	386
1980/81	November–February	1,622	349	−35	321	535	452
1981	February–May	1,355	−656	493	202	485	831

[1] For a more detailed breakdown of these figures see Financial Statistics Tables 6.8–6.10. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

UK bank lending to the public and private sectors



UK banks' advances and acceptances to UK residents



Interest rates, security prices and yields

	Percentage rate												
	Last Friday							Last working day		Average of working days			
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated[8] (20 years)	*Financial Times* Index of industrial ordinary shares: 1 July 1935 = 100 — Price index	Dividend yield	Earnings yield[7]
1969	8	7·80	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/4 – 9 1/2	10 1/16†	5·00	9·05	419·8	4·43	5·82
1970	7	6·93	7 1/2	7	5	7 1/4 – 7 1/2	7 3/8 – 7 1/16	6 3/16	5·00	9·25	361·0	4·75	6·54
1971	5	4·46	4 1/2 – 4 3/4	4 1/2	2 1/2	4 3/8 – 4 1/2	4 1/4 – 4 1/2	5 1/2	5·00	8·90	386·2	4·76	6·21
1972	9	8·48	8 3/4	7 1/2	5 1/2	8 1/2 – 9 1/16	8 1/16 – 9 1/16	5 31/32	5·25	8·97	503·8	3·26	4·98
1973	13	12·82	16 –16 1/4	13	9 1/2	16 1/16–16 3/16	15 1/2 –16	10 7/16	7·50	10·78	435·6	4·12	..
1974	11 1/2	11·30	13 1/2	12	9 1/2	12 1/4 –12 1/16	12 3/8 –12 1/2	10 1/16	7·50	14·77	251·2	8·23	21·47
1975	11 1/2	10·93	11 1/2 –11 3/4	11	7	11 1/16–11 3/16	11 –11 1/8	5 7/8	7·00	14·39	311·0	6·81	19·49
1976	14 1/2	13·98	14 3/4 –15	14	11	14 1/8 –14 3/8	14 1/16–14 1/8	5 1/16	7·80	14·43	268·0	5·96	17·61
1977	7	6·39	6 1/2	6 1/2–7 1/2	3 1/2–4 1/2	6 3/16– 6 1/2	6 1/8 – 6 7/16	7 3/16	6·00	12·73	452·3	5·42	16·50
1978	12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 1/16–12 1/8	12 1/8 –12 1/4	11 11/16	8·00	12·47	479·4	5·65	16·47
1979	17	16·49	16 1/8–17 1/16	17	15	16 1/16–17 1/16	16 1/16–16 7/8	14 1/2	10·50	12·99	475·5	6·49	16·61
1980	14	13·45	14 1/8 –14 1/2	14	11 1/2–2	14 1/8 –14 1/8	14 1/8 –14 1/8	17 1/2	10·50		464·5	7·62	18·14
1978 *J*	10	9·33	10 1/4 –10 1/2	10	6 1/2–7	9 11/16–10 1/16	9 11/16– 9 11/16	8 13/16	6·70	12·72	472·2	5·62	17·06
A	10	9·03	9 1/2 – 9 5/8	10	6 1/2–7	9 7/16– 9 1/2	9 7/16– 9 7/16	9	6·70	12·55	508·8	5·28	15·88
S	10	9·38	9 3/8 – 9 1/2	10	6 1/2–7	9 7/16– 9 11/16	9 1/2 – 9 5/8	9 17/32	6·70	12·64	516·0	5·21	15·02
O	10	10·56	10 1/2 –10 3/4	10	6 1/2–7	10 3/8 –11 1/16	10 11/16–11	11 1/32	6·70	12·91	497·5	5·42	15·09
N	12 1/2	11·91	12 3/8–12 1/2	12 1/2	10	12 1/16–12 1/2	12 1/16–12 3/16	11 31/32	6·70	13·16	476·9	5·86	15·86
D	12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 7/16–12 3/8	12 3/8 –12 1/2	11 1/16	8·00	13·22	482·4	5·98	15·73
1979 *J*	12 1/2	12·46	13	12 1/2	10	13 –13 1/16	12 5/16–12 11/16	10 7/16	8·00	13·68	474·1	6·10	16·01
F	14	12·61	13 1/2 –13 3/8	13 1/2	11	12 3/8 –13 1/16	12 11/16–13	10 3/8	8·00	13·94	460·2	6·18	16·16
M	13	11·78	12 3/8 –12 1/2	13	10 1/2	12 1/16–12 1/16	12 –12 1/8	10 31/32	8·00	12·35	511·5	5·53	14·54
A	12	11·61	11 11/16–12	12	9 1/2	11 3/4 –11 11/16	11 5/16–11 11/16	10 7/8	8·00	11·68	537·4	5·37	14·31
M	12	11·79	11 11/16–12	12	9 1/2	11 11/16–11 11/16	11 1/8 –11 7/16	10 5/16	8·00	11·94	528·5	5·56	14·90
J	14	13·79	14 –14 1/4	14	11 1/2	13 11/16–14 1/8	13 1/16–13 1/16	10 31/32	8·00	12·69	489·5	5·93	15·82
J	14	13·81	14 1/16–14 1/8	14	11 1/2	14 –14 1/8	13 11/16–14 1/16	11 1/32	8·00	12·25	468·3	6·62	16·92
A	14	13·80	14 1/4	14	11 1/2	14 3/16–14 5/16	14 1/16–14 1/4	12 5/16	8·75	12·30	467·2	6·95	17·46
S	14	13·82	14 1/4	14	11 1/2	14 1/8 –14 5/16	13 11/16–14 1/8	12 1/4	8·75	12·60	468·4	6·95	17·75
O	14	13·94	14 1/4 –14 3/8	14	11 1/2	14 3/16–14 5/16	14 1/4 –14 3/8	15 13/16	8·75	13·16	465·4	7·13	17·55
N	17	16·77	16 1/8	17	15	16 3/16–16 5/16	16 1/8 –16 1/4	14 7/16	8·75	14·54	415·9	7·88	19·07
D	17	16·49	16 11/16–17 1/16	17	15	16 11/16–17 1/16	16 11/16–16 7/8	14 1/2	10·50	14·72	419·8	7·70	18·78
1980 *J*	17	16·39	17 1/4 –17 3/8	17	15	17 1/4 –17 1/4	17 1/4 –17 5/16	14 13/16	10·50	14·17	440·7	7·43	18·42
F	17	16·80	18 1/8 –18 1/4	17	15	18 1/16–18 1/4	18 –18 1/8	16 3/16	10·50	14·45	460·7	7·17	17·64
M	17	16·97	18 1/8 –18 1/4	17	15	18 1/8 –18 1/4	17 11/16–18 1/16	19 1/16	10·50	14·70	440·8	7·75	19·26
A	17	16·73	17 1/4 –17 3/8	17	15	17 1/4 –17 7/16	17 1/16–17 1/16	13 11/16	10·50	14·27	435·5	8·04	19·73
M	17	16·73	17 1/8 –17 1/4	17	15	17 –17 1/8	16 1/8 –17 1/16	9 3/4	10·50	14·01	432·4	8·21	20·05
J	17	16·32	17	17	15	16 3/4 –17	16 1/16–16 1/8	9 3/4	10·50	13·78	451·2	7·96	19·20
J	16	14·98	15 1/4 –15 3/8	16	14	15 3/16–15 5/16	15 1/4 –15 3/8	9 11/16	10·50	13·07	488·5	7·42	17·96
A	16	15·53	16 1/8 –16 1/4	16	14	16 1/8 –16 1/16	16 1/16–16 1/16	12 1/4	10·50	13·58	484·9	7·48	17·68
S	16	14·86	15 3/4	16	14	15 11/16–17 1/8	15 3/8 –15 3/4	13 1/16	10·50	13·38	491·7	7·45	17·28
O	16	14·90	16 3/8 –16 1/2	16	14	16 3/8 –17	16 1/16–16 1/16	15 1/4	10·50	13·12	483·8	7·59	17·14
N	14	13·38	14 1/4 –14 3/8	14	11 1/2–12	14 7/16–14 1/2	14 3/16–14 7/16	18 5/16	10·50	13·22	493·4	7·35	16·43
D	14	13·58	14 3/8 –14 1/2	14	11 1/2–12	14 3/8 –14 3/8	14 3/8 –14 3/8	17 3/8	10·50	13·67	470·1	7·56	16·93
1981 *J*	14	13·02	13 13/16–13 7/8	14	11 1/2	13 3/8 –13 13/16	13 1/4 –13 3/8	17 7/16	9·25	13·96	459·6	7·78	17·44
F	14	11·93	12 3/8 –12 1/2	14	11 1/2	12 7/16–12 1/2	12 3/8 –12 1/2	16 1/16	9·25	13·89	487·0	7·35	16·38
M	12	11·87	12 3/8 –12 13/16	12	9	12 3/8 –12 3/8	12 1/4 –12 3/8	14 3/4	9·25	13·68	497·8	6·78	14·39
A	12	11·57	12 7/16	12	9	12 7/16–12 3/8	12 1/4 –12 7/16	16 31/32	8·50	13·64	559·2	5·88	11·57
M	12	11·70	12 1/4 –12 3/8	12	9	12 7/16–12 5/16	12 1/4 –12 3/8	17 3/8	8·50	14·31	557·8	5·91	11·59
J	12	12·33	12 7/16–12 1/2	12	9	12 7/16–12 3/8	12 3/8 –12 1/2	17 1/16	8·50	14·57	545·0	5·92	11·73
J	12	14·25	14 3/8 –14 1/2	12	9	14 3/8 –14 1/2	14 1/4 –14 5/16	18 3/4	8·50	15·14	528·2	6·01	11·70
A													
S													

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics* (*HMSO*).

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

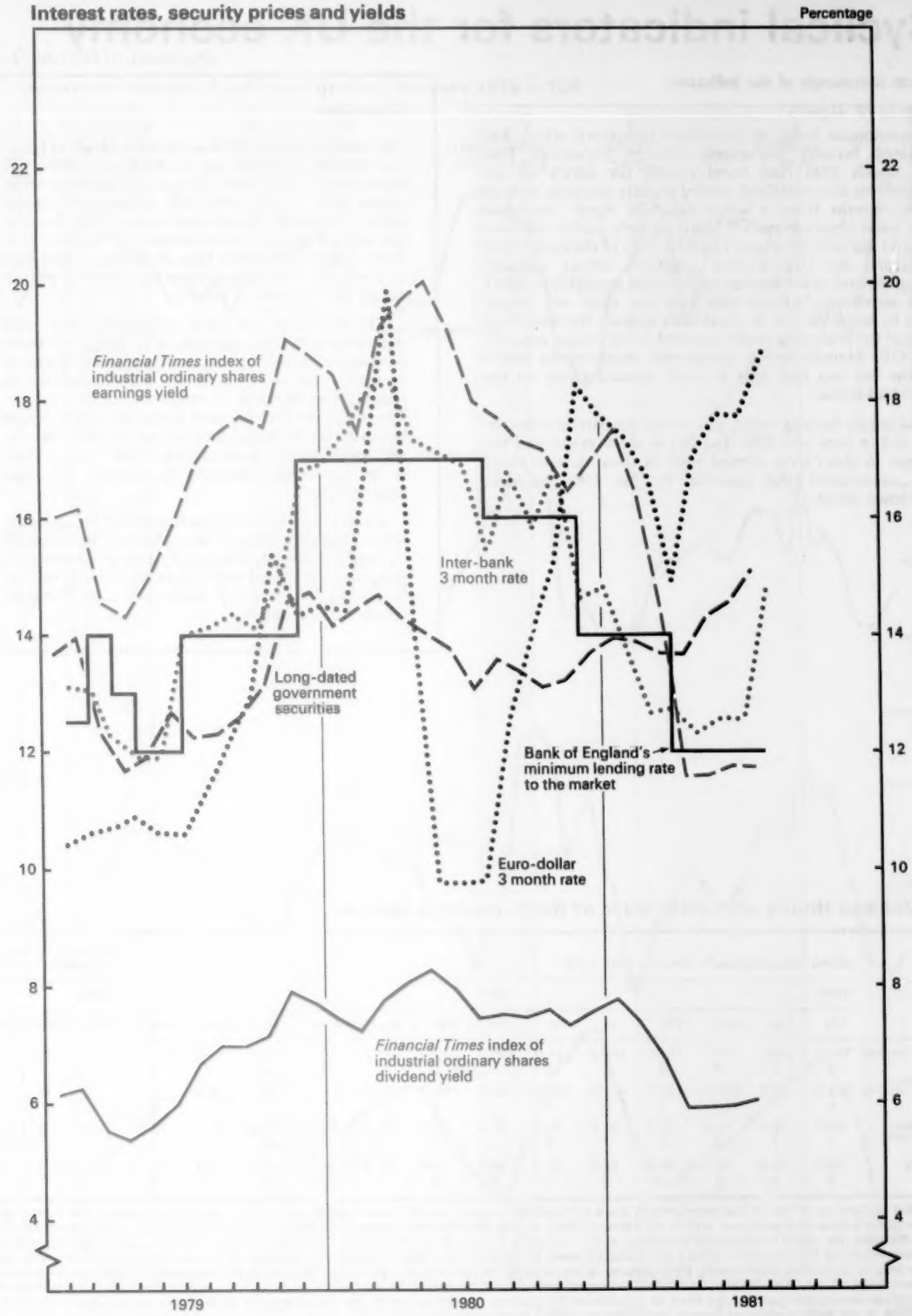
[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.

[8] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week). Calculated gross redemption yields – see *Financial Statistics Explanatory handbook*.

Interest rates, security prices and yields



Cyclical indicators for the UK economy

Recent movements of the indicators

(*Data to 18 August*)

The composite index of coincident indicators, which had remained broadly unchanged between November 1980 and March 1981 (the latest month for which all the components are available), moved slightly upwards in more recent months from a lower value in April. As usual these latest observations are based on only partial information and are subject to later revision. Two of the component indicators, the CBI Survey questions about capacity utilisation and raw material stocks (both available to July), show significant upturns this year but these are largely offset by some decline in retail sales volume from the high levels at the beginning of the year and in the output measure of GDP. Manufacturing output has stabilised in recent months but has had only a small upward effect on the coincident index.

The longer leading index, also based on partial information, fell in June and July. The fall in share prices and the increase in short term interest rates in these months more than outweighed the increase in the CBI business confidence series.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

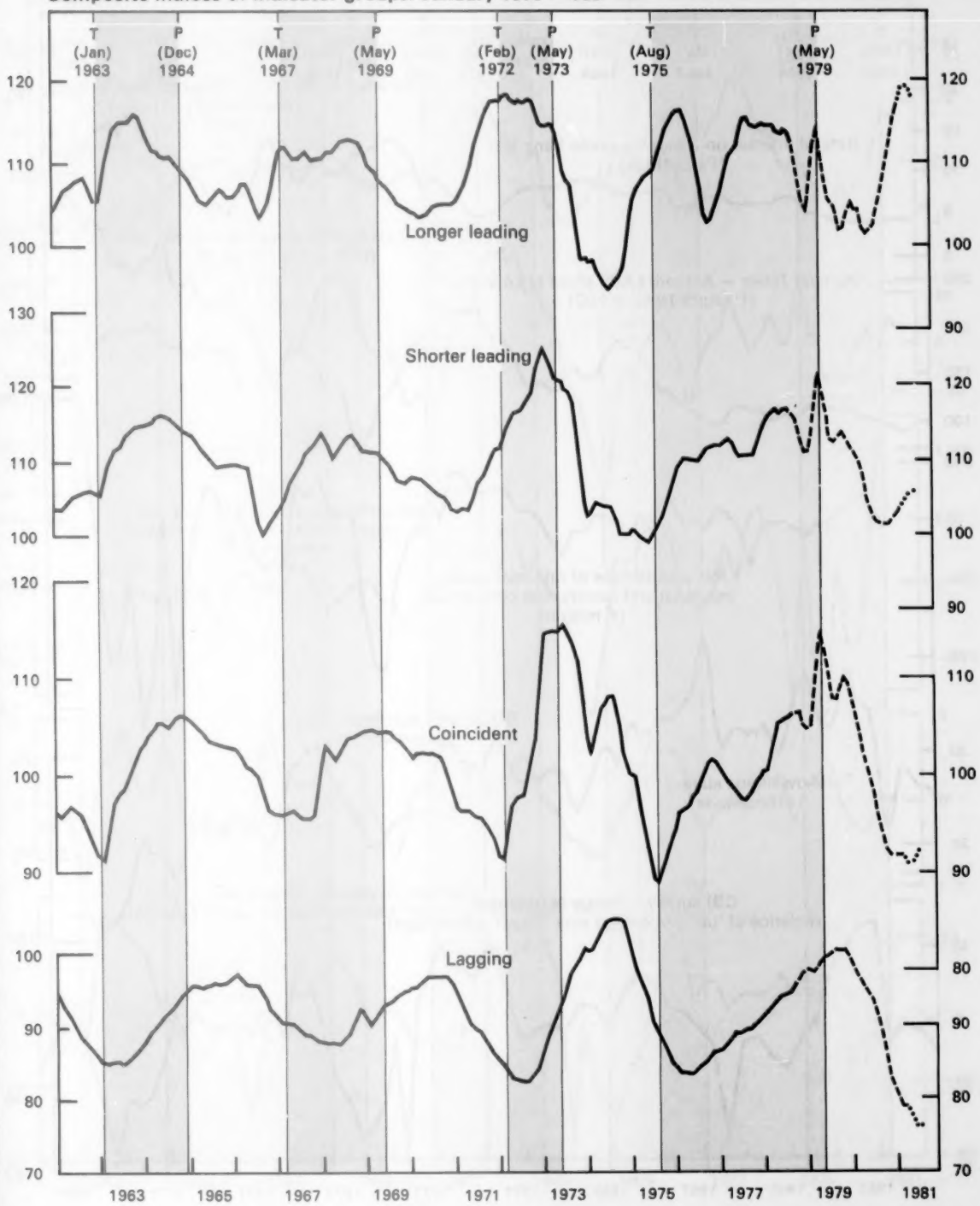
	Most recent values[2] January 1975 = 100													Lead (−) or lag (+) in months relative to reference cycle dates		
	1980						1981									
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	June	Mean	Earliest	Latest
Longer leading	101·7	102·3	104·1	106·0	108·2	110·6	113·0	115·6	117·2	118·7	119·1	118·7	117·7	−13	−21	− 7
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*3*			
Shorter leading	103·0	101·7	101·3	101·1	101·0	101·3	102·1	102·7	103·7	104·3	105·2	105·5	105·7	− 5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*3*			
Coincident ..	97·7	95·5	93·9	92·2	91·6	91·5	91·4	91·4	91·4	90·6	90·8	91·1	92·0	+ 1	− 1	+ 5
	7	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*5*	*5*	*5*	*3*			
Lagging ..	92·2	90·6	88·2	85·5	82·8	81·4	80·3	78·9	78·8	78·1	77·0	76·1	76·2	+10	+ 3	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*3*	*2*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

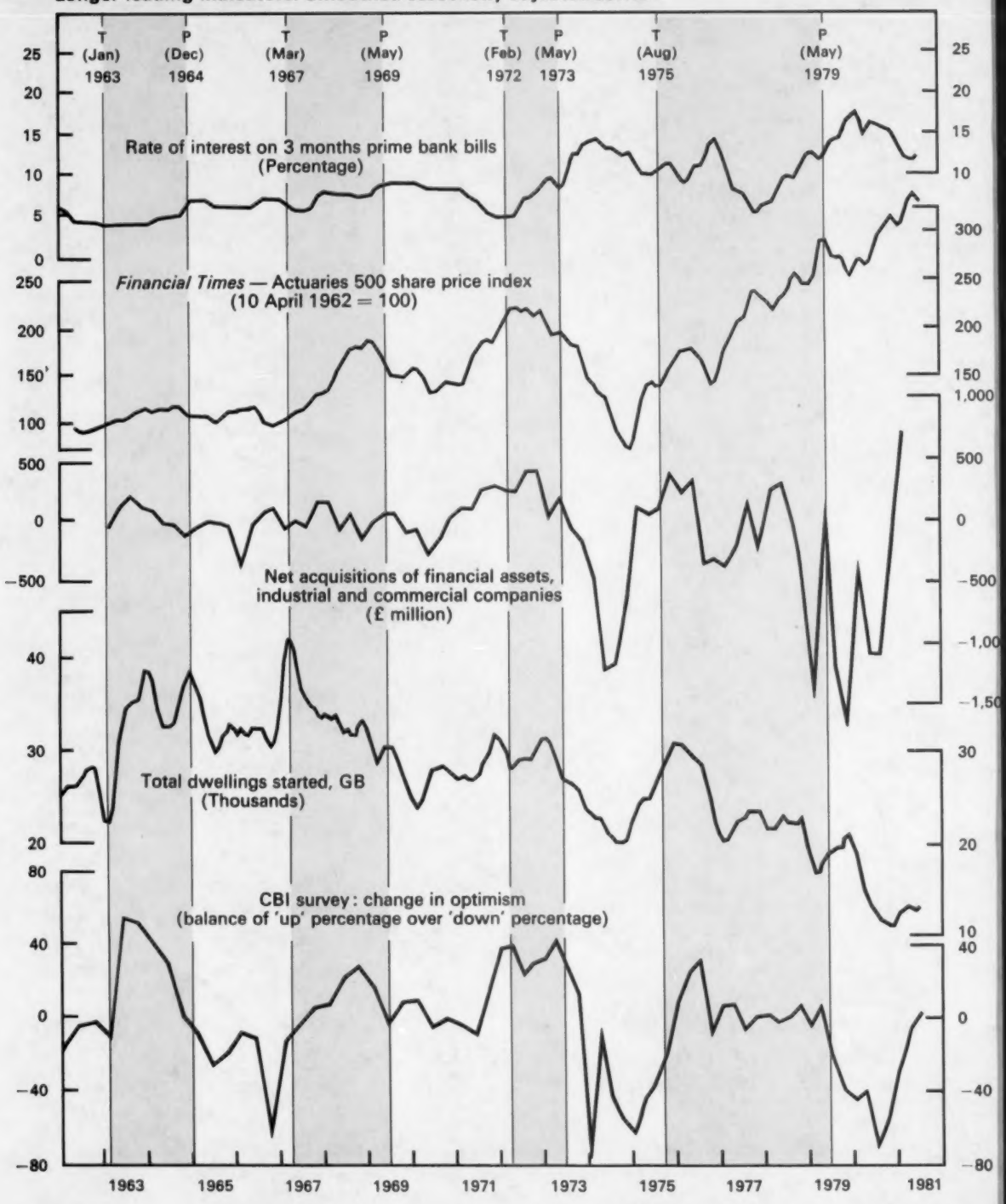
Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



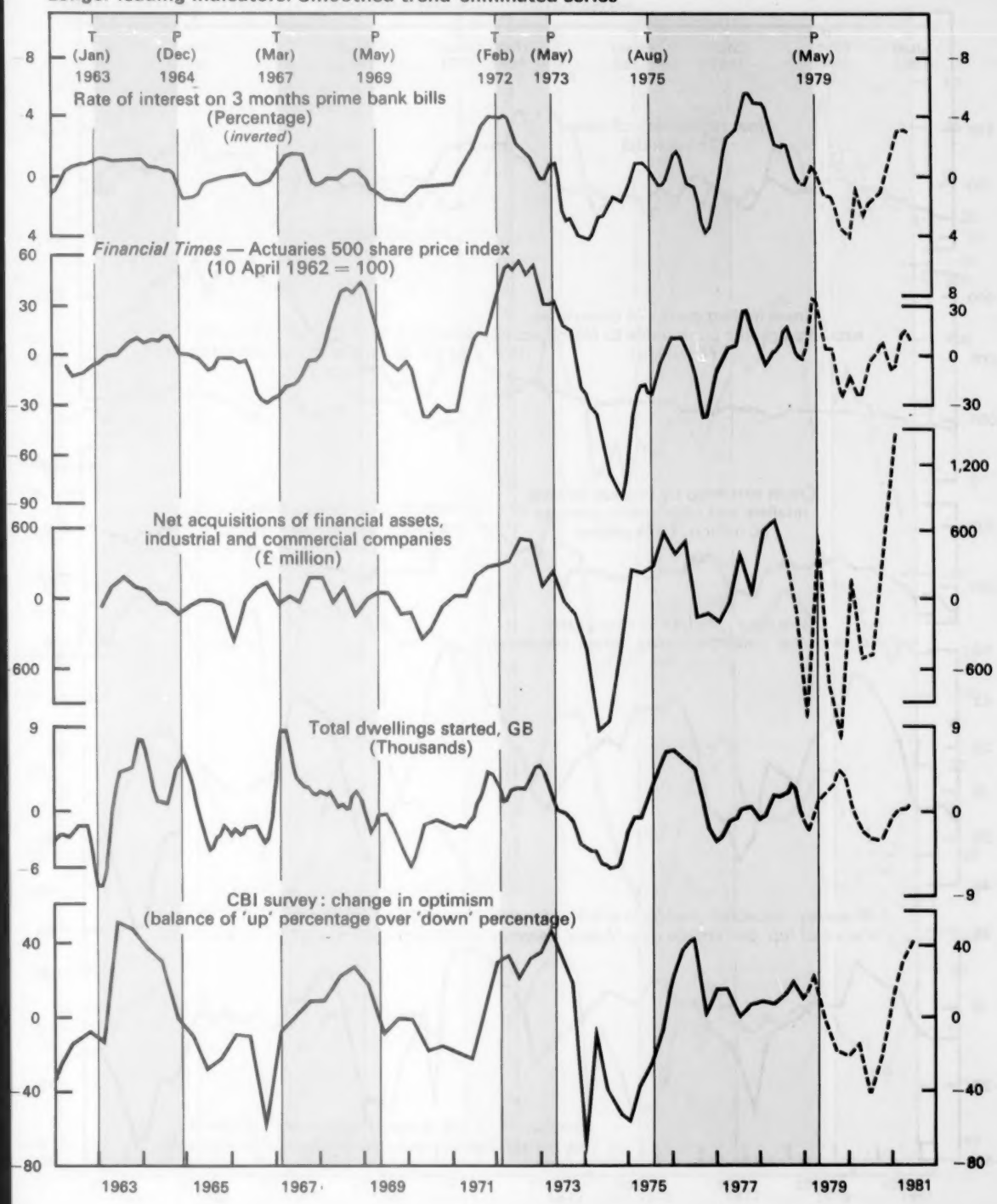
Cyclical indicators by timing classification

Longer leading indicators. Smoothed seasonally adjusted series

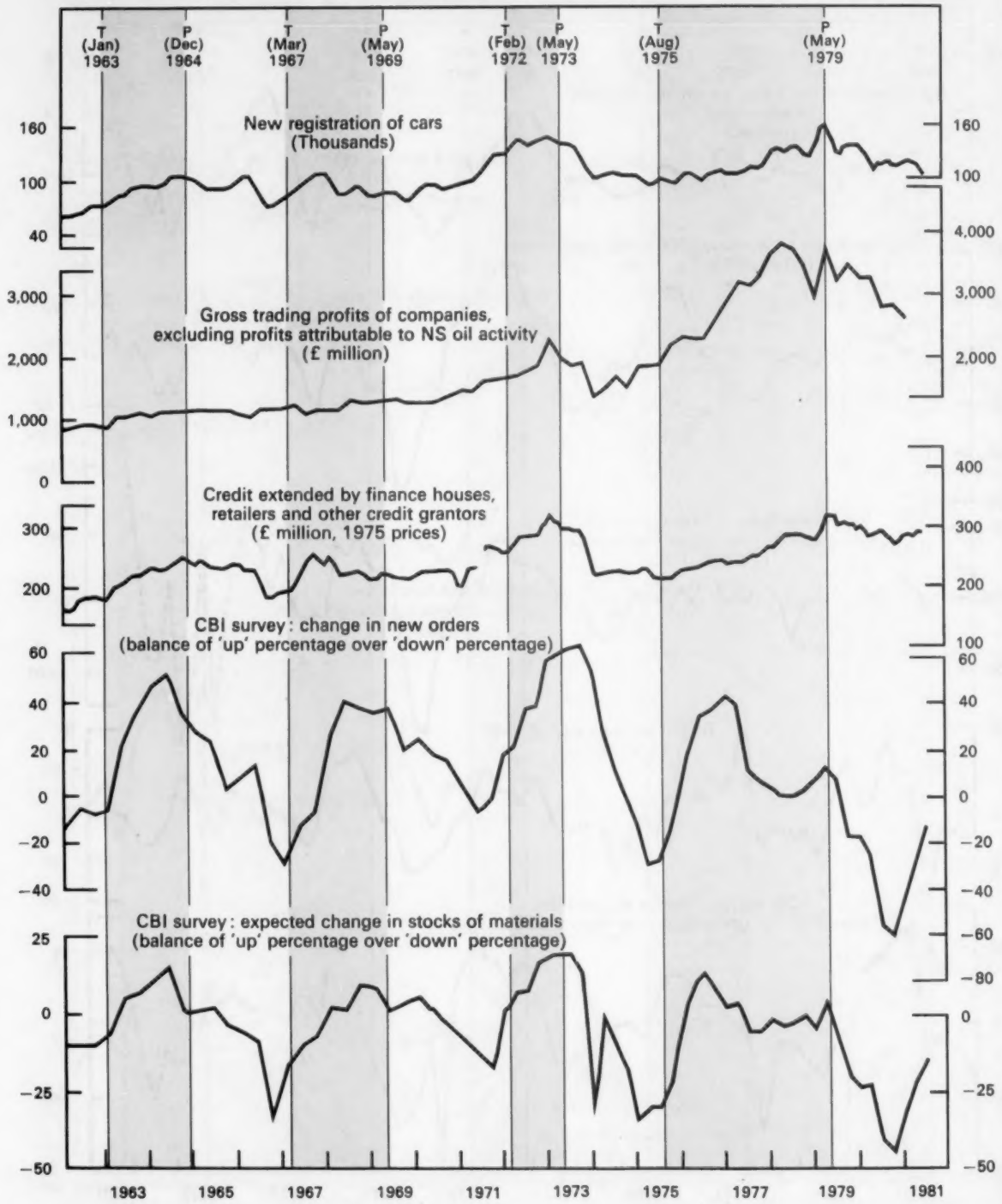


Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series

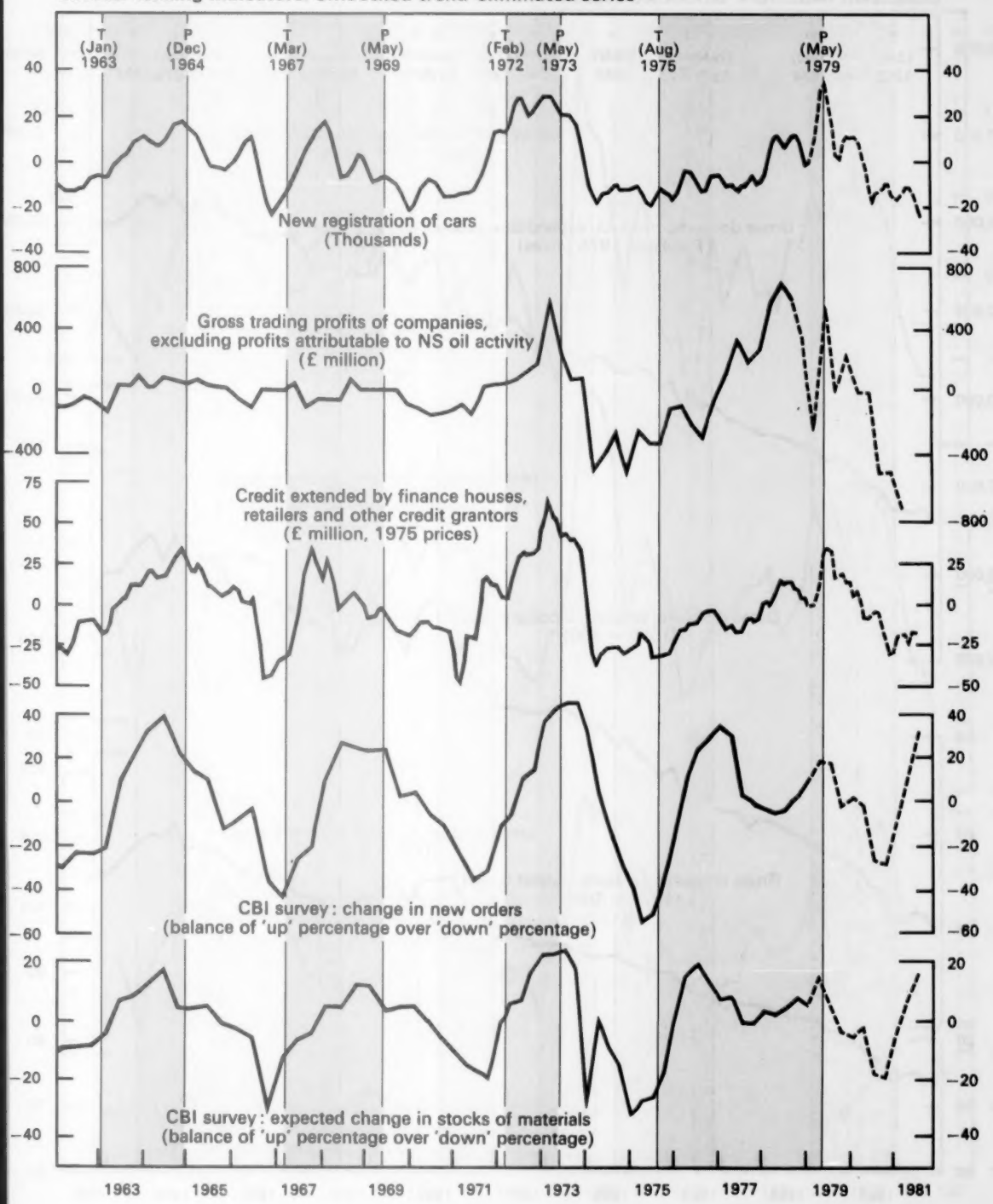


Cyclical indicators by timing classification
Shorter leading indicators. Smoothed seasonally adjusted series



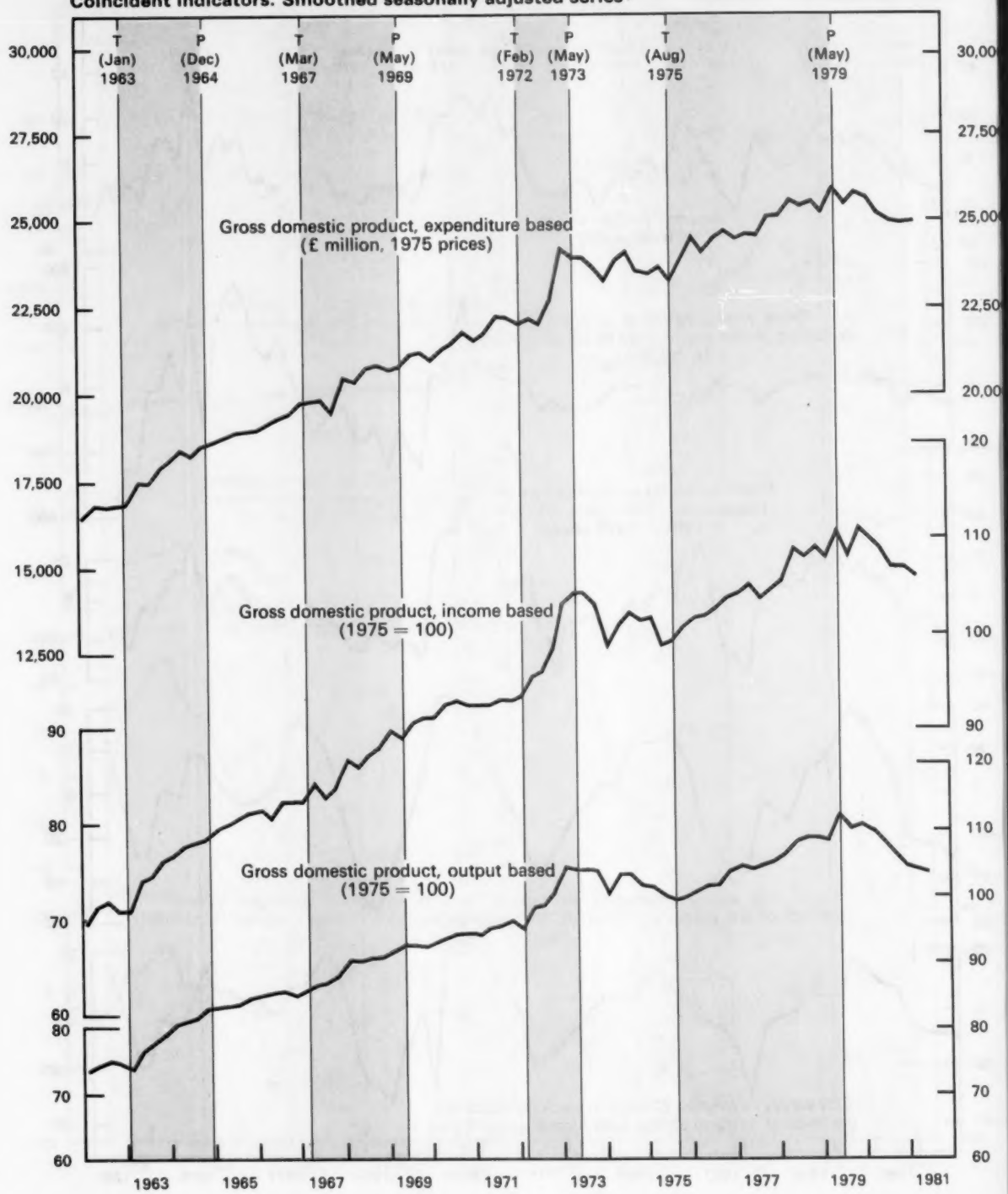
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed trend-eliminated series


T (Jan) 1963
P (Dec) 1964
T (Mar) 1967
P (May) 1969
T (Feb) 1972
P (May) 1973
T (Aug) 1975
P (May) 1979
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity (£ million)
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials (balance of 'up' percentage over 'down' percentage)
1963
1965
1967
1969
1971
1973
1975
1977
1979
1981

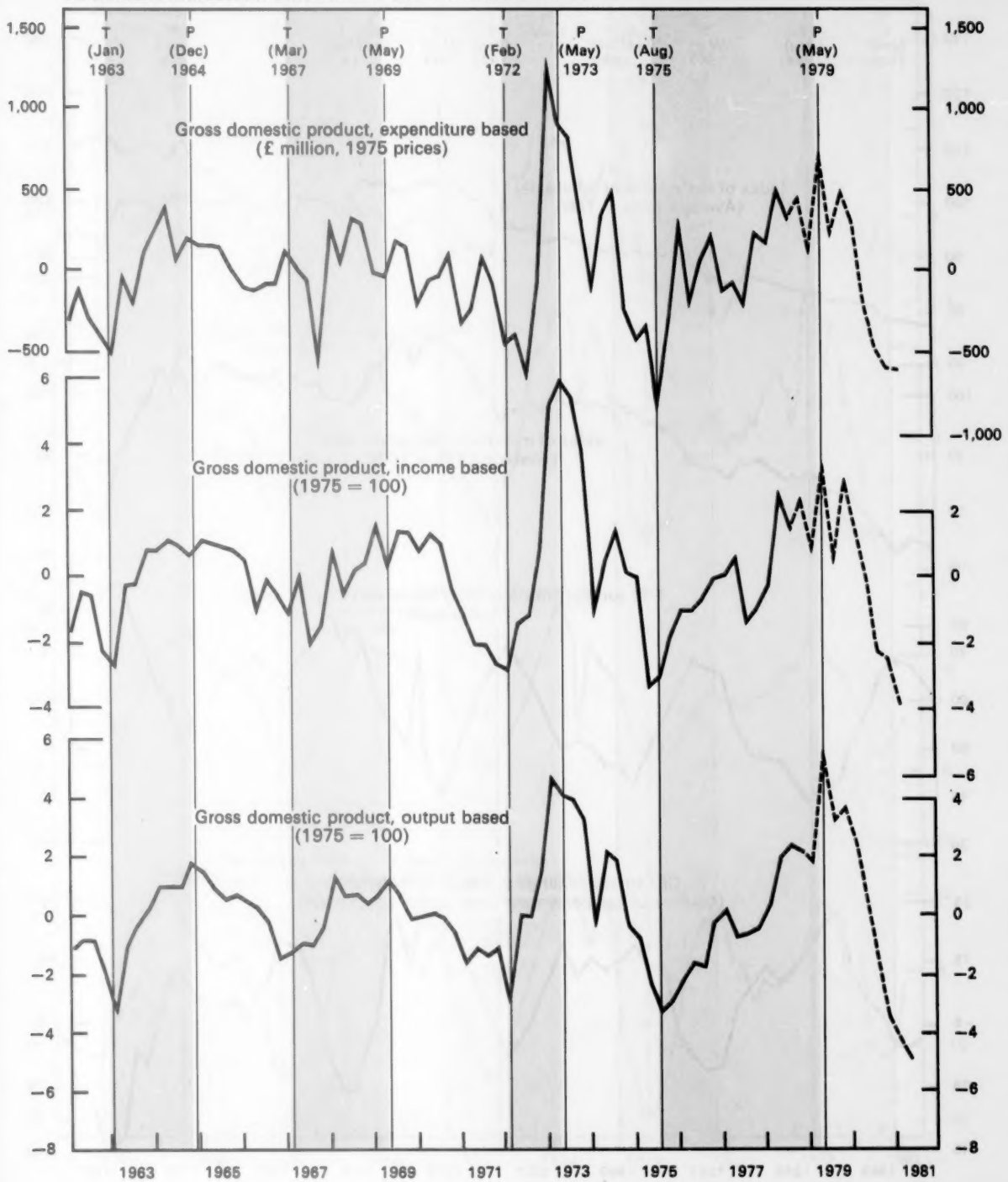
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



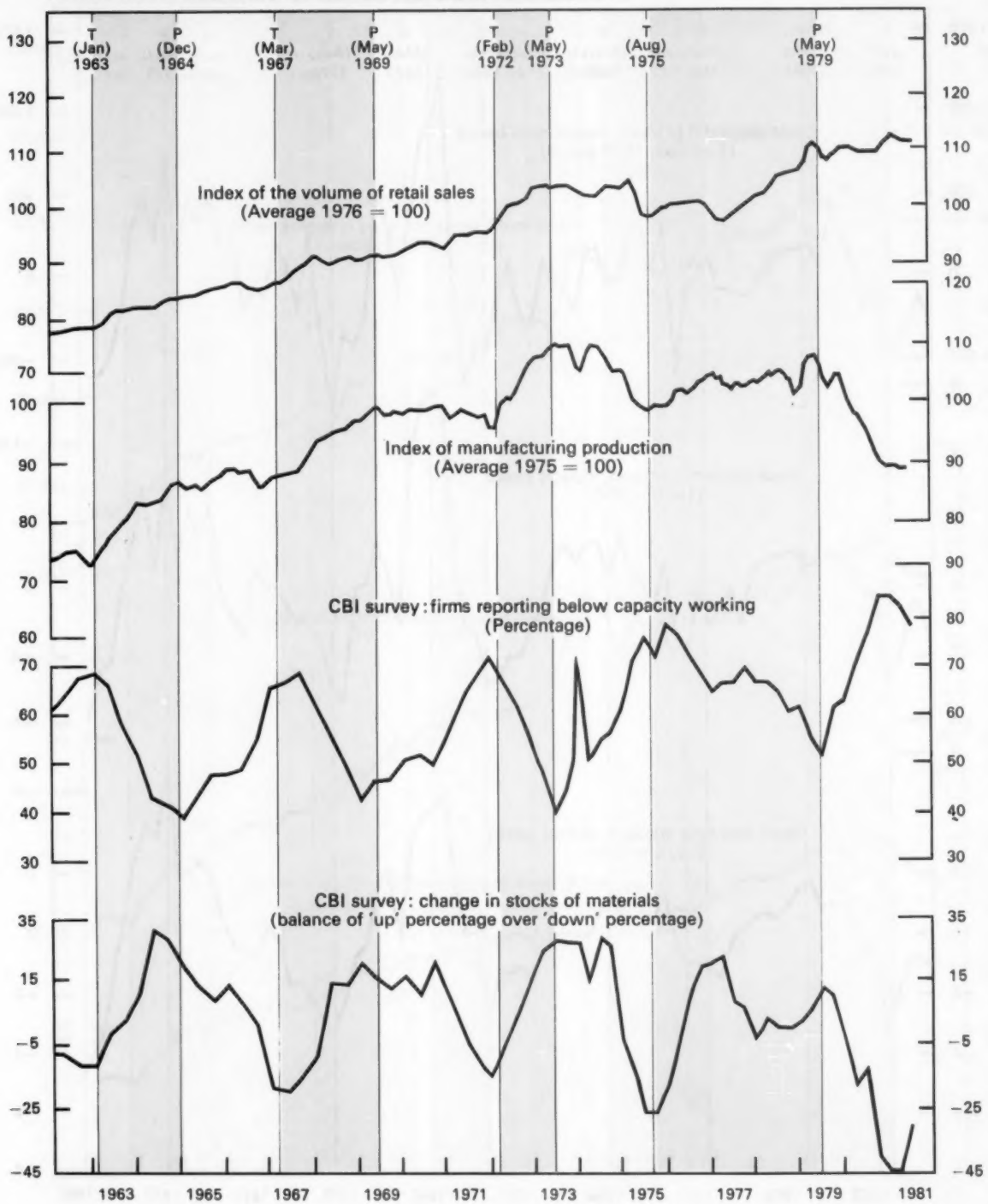
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



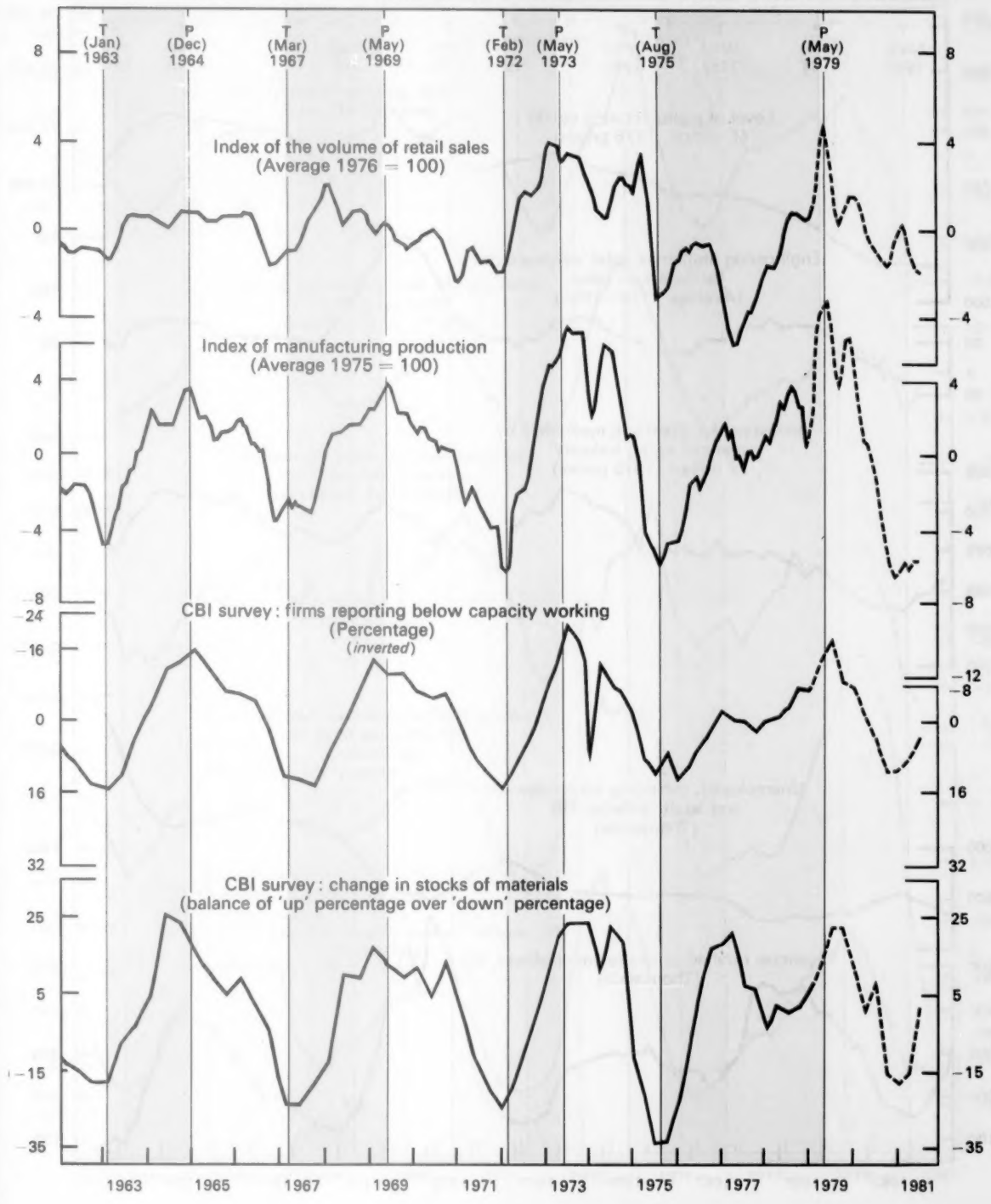
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



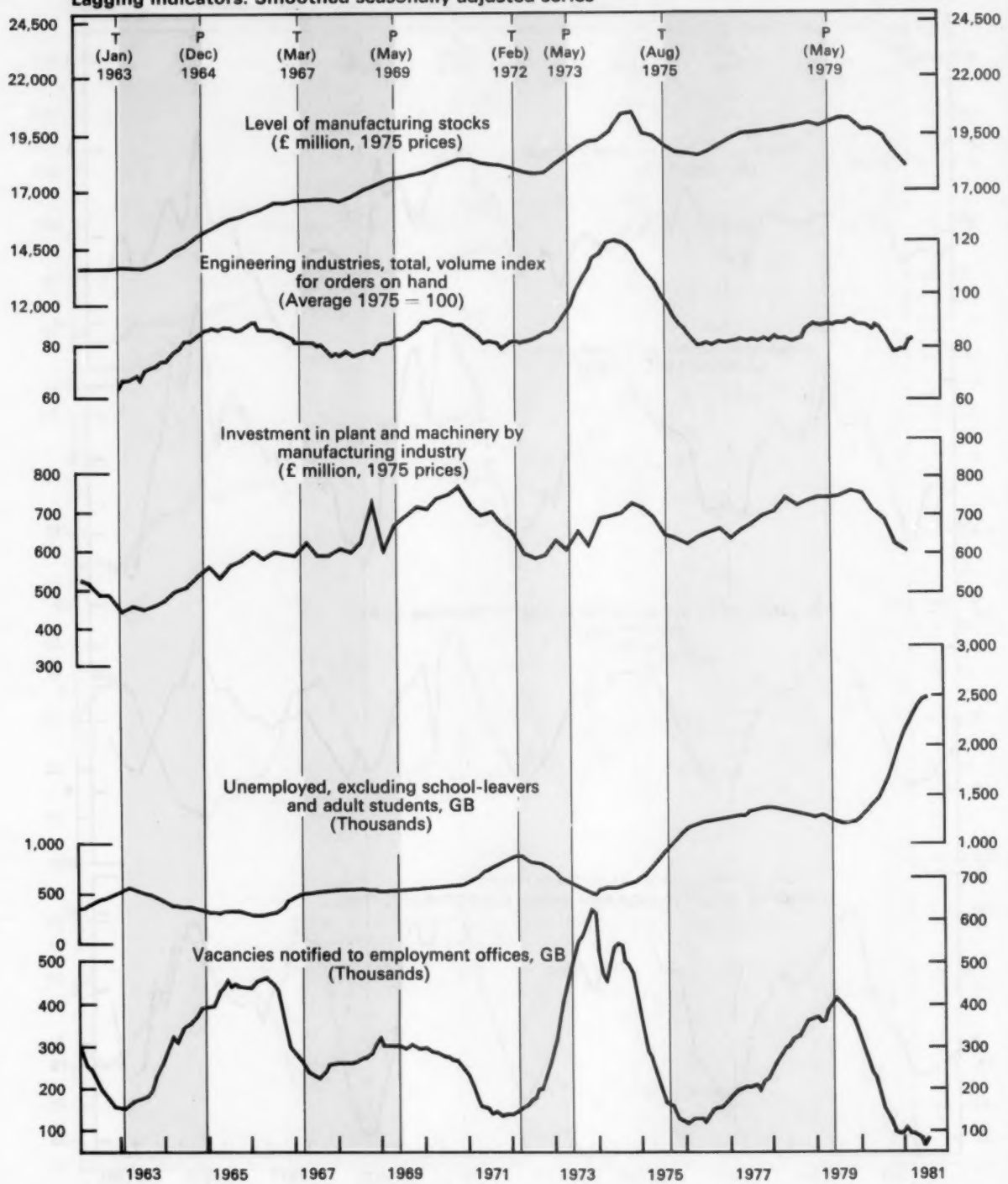
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



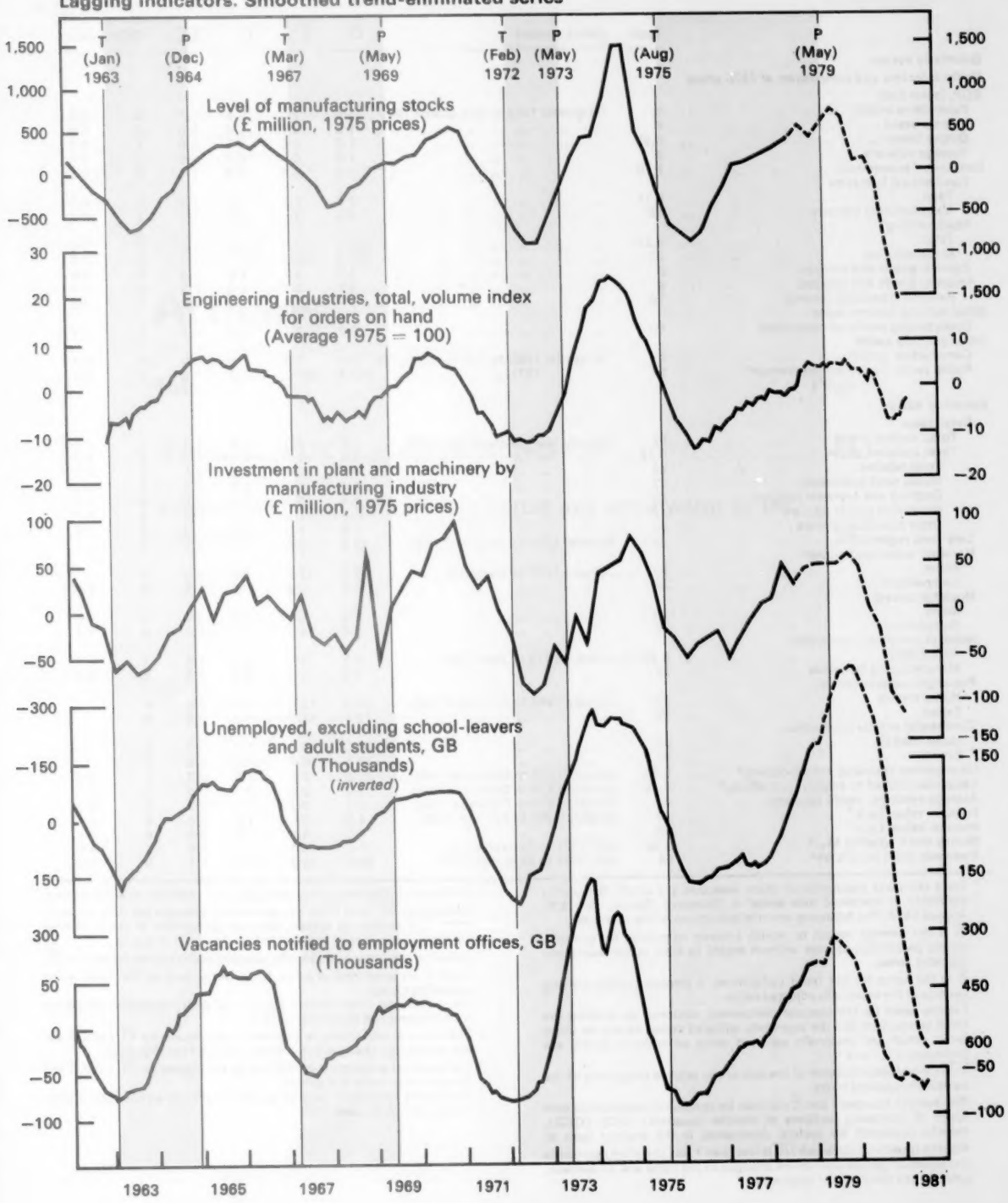
Cyclical indicators by timing classification

Lagging indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I/C}$	MCD or QCD	$\overline{I/C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1980	1·5	1·0	0·8	1·3	2	0·6
Income based	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·8	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·7	0·7	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·3	0·9	0·8	1·1	2	0·5
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·5	1·0	1·5	2	0·7
Manufacturing industry	16	" " " " " " "	3·5	2·4	2·1	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·5*	*152·0*	*125·0*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*151·4*	*103·2*	*84·8*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·3	2·7	1·8	1·5	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	2·1	1·7	1·3	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·0	1·3	0·8	1	0·8
Other national income series								
Gross trading profits of companies	60	" " " " " " "	5·2	2·8	4·0	0·7	1	0·7
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1980	2·2	1·2	1·5	0·8	1	0·8
Public sector borrowing requirement[3]	56	" " 1971 " " " "	*542·4*	*397·1*	*224·2*	1·8	2	0·7
Monthly series								
Retail sales								
Total: current prices	12	January 1971 to December 1980	1·8	1·3	1·1	1·3	2	0·8
Total: constant prices	5,12	" " " " "	1·4	1·4	0·4	4·0	5	0·9
Food retailers	12	" " " " "	0·6	0·6	0·3	2·1	3	0·8
Mixed retail businesses	12	" " " " "	1·4	1·2	0·5	2·5	3	0·9
Clothing and footwear retailers	12	" " " " "	2·1	2·0	0·4	4·8	6	0·8
Household goods retailers	12	" " " " "	1·9	1·6	0·9	1·8	3	0·7
Other non-food retailers	12	" " " " "	1·2	1·0	0·4	2·3	3	0·8
Cars: new registrations	12	October 1974 to December 1980	10·8	10·8	1·1	9·9	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1980	12·2	12·0	1·9	6·3	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing: private								
Starts	20	" " " " "	8·8	8·6	2·5	3·4	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to June 1981	1·1	1·0	0·5	1·8	3	0·8
Manufacturing industries	26	" " " " "	1·5	1·3	0·6	2·3	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1980	12·8	12·6	1·9	6·6	6	
Export	32	" " " " "	12·1	11·9	1·3	9·2	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·8	9·4	1·7	5·5	6	
Export	32	" " " " "	11·1	10·8	2·0	5·5	6	
Unemployed excluding school-leavers[5]	5,36	January 1970 to December 1980	*20·8*	*5·8*	*19·6*	0·3	1	0·3
Vacancies notified to employment offices[5]	5,36	January 1970 to December 1980	*7·2*	*2·6*	*6·7*	0·4	1	0·4
Average earnings: whole economy	40	January 1976 to December 1980	1·1	0·2	1·1	0·2	1	0·2
Exports: value, f.o.b.[7]	48	January 1963 to February 1981	4·8	4·5	1·3	3·5	4	0·9
Imports: value, f.o.b.[7]	48	" " " " "	4·5	4·2	1·4	2·9	4	0·7
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

Articles

Title	Page
Movements in UK costs and prices: 1973—79	82
Research and development: expenditure and employment in the seventies	94

Movements in UK costs and prices: 1973-79

ANNE HICKLING, formerly Central Statistical Office*

Measures of inflation

In times of inflation much interest centres on the way changes in costs and prices have affected the various sectors of the economy. Movements in the implied deflator of total final expenditure at market prices can be taken as a measure of price inflation in the whole economy, but changes in costs and prices occur to varying extents in the different parts of the economy. This article examines movements in total final expenditure and its main components, measured both on the expenditure side and the input or cost side.

It is important to stress, however, that the results are only a statistical analysis of changes in costs and prices in the economy as measured by the national accounts. It cannot be deduced from this analysis that rises in prices of items of expenditure were generated by increases in particular costs, or *vice versa*.

To most people inflation is the rise in the retail prices index, but there are many other measures which can be used. A few of these are shown for the period 1970–79 in Table A. Over the period the rises in all these measures, except the wholesale price index for materials and fuels purchased by manufacturing industry, averaged between 13 and 14 per cent per annum, though the individual year-to-year movements differed more markedly. Employment income per unit of output, a measure of the cost of employment, grew less rapidly than the retail prices index during 1975–77, but subsequently moved ahead again. The materials and fuels index is strongly influenced by the price of oil and is very volatile. These large movements are damped down in the wholesale price index for home sales of manufacturing output, where the effect of the oil price is much smaller and less volatile factors, such as labour costs, also have some influence.

* Now in the Statistics Division of the Department of Employment. During the preparation of this article much helpful comment and criticism was received from colleagues in CSO and the Treasury. This is gratefully acknowledged by the author.

Increases in the implied deflator for total final expenditure (TFE) – a measure of price changes in the whole economy – are also given in Table A. This indicator is obtained simply by dividing TFE at current prices by its corresponding value at constant prices, and so it contains the effects of changes in the composition of TFE as well as price changes. To obtain a measure of inflation in the economy reflecting price changes only, these other effects must be eliminated.†

TFE at market prices can be disaggregated in two ways – into its expenditure components or its input components – and price (or cost) movements in each will be looked at. Changes in market prices are associated with a change in the price of one or more of these components or in their mix. If the mix remains unchanged and the costs of each component grow at the same rate, the extent to which each component contributes to the total increase in the TFE deflator would be equal to its share in the costs in the base period.

Much of the interest in analysing changes in prices therefore lies in the extent to which the share in inflation of each component differs from its share in the base period.‡

Input components

The market prices at which goods and services are sold, either at home or abroad, can be divided on the input side into the domestic costs per unit of output or production

† TFE at current prices may vary from one year to the next because of a change in price of one or more of the components, a change in the mix of the components or a change in the total volume of expenditure. The 'price' effect is taken as the change in the value of the opening volume of TFE, caused by price changes. The 'mix' effect can be defined as the change in the value of TFE arising from a shift in the proportions of the components. The 'volume' effect is then the remainder of the total change in value after allowing for the price and mix effects. A description of the methodology used to measure these effects is given in Appendix 2.

‡ The analysis uses data from the 1980 Blue Book (*National Income and Expenditure, 1980 Edition*, HMSO), though in some cases disaggregated further than is presented there. Annual data from 1973 to 1979 has been used. A preliminary analysis of changes between 1979 and 1980, based on a less comprehensive disaggregation of the data, is also included.

Comparisons of selected measures of inflation

TABLE A

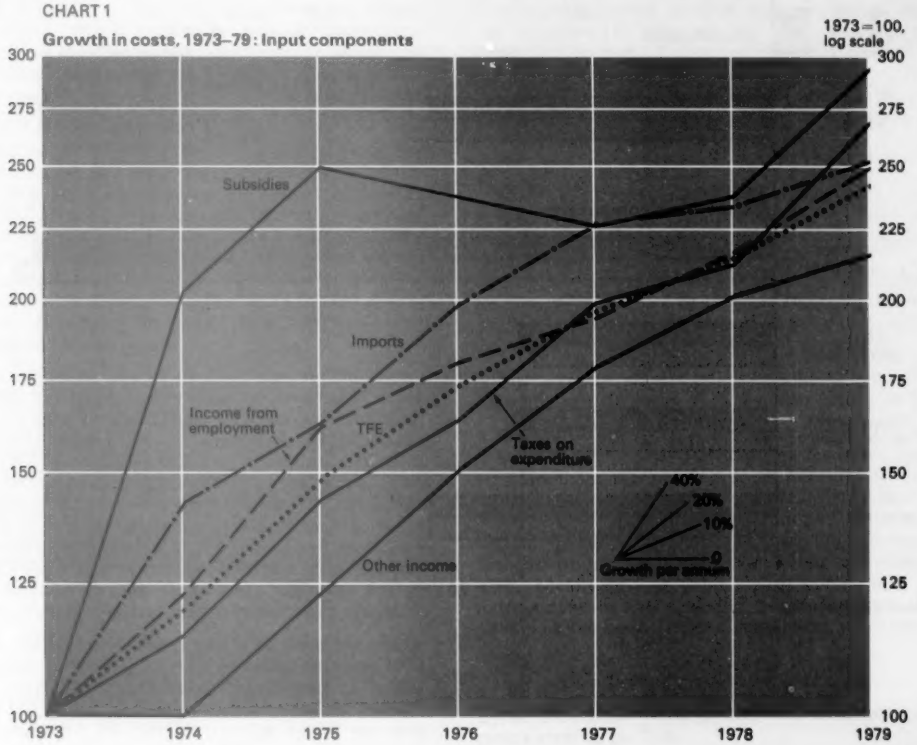
	Percentage growth per annum				
		Wholesale price indices			
	Retail prices index	Manufacturing output (home sales)	Materials and fuels purchased by manufacturing industries	Employment income per unit of output	Implied deflator for total final expenditure
1970/71	9·4	9·1	4·4	9·1	8·2
1971/72	7·3	5·3	4·5	9·2	7·0
1972/73	9·1	7·4	32·4	7·1	10·2
1973/74	16·0	22·6	47·6	24·8	20·6
1974/75	24·2	22·2	15·2	29·2	23·8
1975/76	16·5	17·3	27·0	10·6	16·0
1976/77	15·9	19·8	14·6	8·3	14·0
1977/78	8·3	9·1	−0·7	10·4	8·9
1978/79	13·4	12·2	15·9	14·4	13·0
Average 1970-79	13·2	13·7	17·0	13·5	13·4

(here taken to include distribution), the price of imports, the rates of government taxes and the value of government subsidies. The domestic costs of production can be broadly subdivided into employment costs and the margins earned by producers. TFE at current market prices can also be split into these components.§ These allocations are purely accounting relationships; they have no causal significance. If movements in the prices (or costs) of each component were independent of movements in the prices of other components, a change in the price of one component would have an immediate effect on the prices of the goods or services on which final expenditure is incurred. Very often the initial effect would be on the valuation of stock-building or work-in-progress, feeding through at a later stage to other components of final expenditure. But in practice the movements among the components are rarely independent. For example, a producer may decide to absorb some of the effects of an increase of employment costs by reducing his profit margin rather than making final prices bear the whole effect; he may do this either temporarily or on a longer term basis. On the other hand he may decide to take advantage of a reduction in import prices to increase his profit margin. The effects on final prices will depend on a whole complex of factors including the circumstances of the market in which the producer is operating, and general economic and financial conditions. It is beyond the scope of this article to discuss how such factors might contribute to the course of inflation.

§ The residual error which is generally included in the income measures of GDP, to equate it with the expenditure measure, is excluded from the analysis and from the total measure of TFE formed from the input components.

CHART 1

Growth in costs, 1973–79: Input components



Cost increases for the main input components of TFE

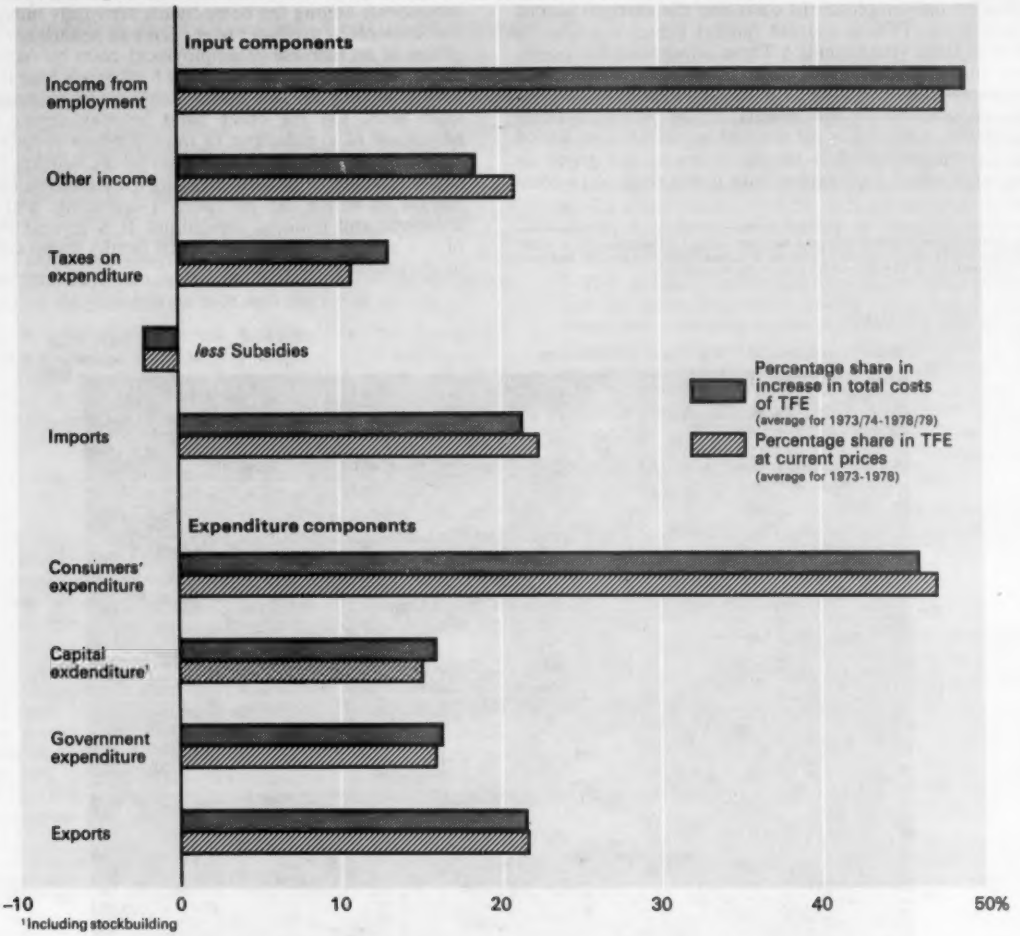
TABLE B

	Percentage growth per annum					
	Income from employment	Other income	Taxes on expenditure	Subsidies	Imports	TFE[1]
1973/4	23·4	0·0	14·9	102·7	42·6	19·7
1974/5	31·0	23·1	25·0	23·0	14·0	24·0
1975/6	11·4	22·2	14·3	−5·0	22·1	16·6
1976/7	8·1	19·0	21·3	−4·5	14·2	13·3
1977/8	11·0	12·3	6·6	4·9	2·8	9·0
1978/9	15·5	7·0	26·2	23·6	8·0	13·1
Average 1973–79	16·5	13·6	17·8	19·6	16·6	16·0

[1] Excluding the residual error.

CHART 2

Percentage shares in increase in total costs of TFE and in TFE at current prices



Shares in TFE and in total cost increases in TFE

TABLE C

Percentages

	Income from employment		Other income		Taxes on expenditure		Subsidies		Imports	
	Base period share	Share in total cost increase	Base period share	Share in total cost increase	Base period share	Share in total cost increase	Base period share	Share in total cost increase	Base period share	Share in total cost increase
1973/74	47·1	55·8	23·2	0·0	10·9	8·2	−1·6	−8·1	20·4	44·1
1974/75	48·2	60·2	19·2	17·9	10·4	10·5	−2·7	−2·5	24·9	14·0
1975/76	51·2	35·3	19·2	25·7	10·6	9·2	−2·8	0·8	21·8	29·0
1976/77	48·6	29·5	20·0	28·6	10·4	16·6	−2·2	0·7	23·1	24·7
1977/78	46·3	56·6	21·4	29·3	11·0	8·0	−1·8	−1·0	23·0	7·1
1978/79	46·7	55·6	22·1	11·8	11·1	22·3	−1·8	−3·2	21·8	13·4
Average 1973–79	47·8	49·1	21·0	18·6	10·8	13·1	−2·1	−2·1	22·5	21·4

With the exception of subsidies, each of these categories of input cost can be further disaggregated to remove some of the effects of changes in the mix of the components. Domestic costs are divided into income from employment and other income (defined as income from self-employment *plus* gross trading surpluses of companies, public corporations and general government enterprises, net of stock appreciation), and further disaggregation is by industry. The volume of output is used as a volume indicator, so changes in costs per unit of output are being looked at. Taxes on expenditure are split by type of tax and imports into services and various groups of goods. For these two components and for subsidies, figures at constant prices are used as volume measures.

The percentage contributions to the annual rise in TFE in each year between 1973 and 1979 made by price and volume changes in each component are shown in Appendix 1, Table 1. In this table the identified mix effect has been included with the volume effect. The calculated mix effects were not significant, partly because year-to-year changes in the proportions of the components are generally small and also because the main categories were not disaggregated sufficiently to pick up all mix changes. The effects of these unidentified mix changes are still present in the price effect.

Table B shows the annual rates of growth of costs for the input components and these are also shown graphically in Chart 1. Considerable differences exist between the various series, both in the year-to-year changes and in the average rates over the six-year period. The cost of employment per unit of output, for example, rose strongly between 1973 and 1975, but was subsequently held down during the years of pay restraint (1976 and 1977). These were the only years when the rate of increase of employment costs was less than the increase in total costs.

The highest average rate of increase was for subsidies, which therefore had a depressing effect on the total increase in TFE costs, *ceteris paribus*. There were large increases in the value of subsidies in 1974, 1975 and 1979, but reductions in 1976 and 1977. Changes in taxes on expenditure account for some of the increase in total costs over the period. This was most significant in 1979, when the rate of VAT was increased, which with other changes produced a rise in the costs of indirect taxation of 26·2 per cent. The rise of 21·3 per cent in 1976–77 was also notably higher than the rise in the TFE deflator between these years; this was due to rises in drink, tobacco, petrol and vehicle excise duties.

The rise in the cost of imports has been the most erratic over the period, varying from 42·6 per cent between 1973 and 1974 to only 2·8 per cent between 1977 and 1978. The large rise in 1973–74 was of course due to the oil price – the cost of imported oil rose on average by 33 per cent each year over the six-year period. The cost of imports is strongly influenced by the value of the pound, and the low rate of inflation in the cost of imports from 1977 onwards coincides with the start of the recovery of sterling from its trough towards the end of 1976 (as shown by the effective exchange rate).

We have already said that much of the interest in analysing changes in prices lies in the differences between each component's share in the increase in total costs and its share in TFE in the base period. Table C compares these two shares for the six years we are looking at and Chart 2(a) summarises the period. Taking the whole period first, this chart shows that income from employment and taxes on expenditure both accounted for more of the rise in the cost of TFE than their current price shares over the period. Imports and other income both accounted for less, while the effect of subsidies was in line with their share of TFE. Although the cost of imports rose more rapidly than the overall TFE deflator, the volume of imports also rose enough to keep their average share in TFE above their average share in the rise in the cost of TFE.

The average current price shares shown in Chart 2(a) are of course influenced by the relative movements in costs of each of the components, which alter the current price shares from year to year. They are also affected by volume movements in the components. Table C helps to clarify this by showing the shares of the components in each year. Over the six-year period the averages of the two shares do not differ very widely, but much greater discrepancies arise in the yearly comparisons. There are many similarities here to the points noted in looking at the increases in the costs of the components of TFE and comparing them with the increase in total costs of TFE. In particular, the increase in total costs of TFE which can be accounted for by employment income was about 10 percentage points higher than its base period share in all years except the years of pay restraint (1975/76 and 1976/77), when it was much lower (by 16 and 19 percentage points respectively). The big rise in the costs of taxes on expenditure in 1978/79, the growth of subsidies in 1973/74 and the oil price effect on the cost of imports all show up clearly when the shares in total cost increases are compared with the base year shares.

Shares in current price TFE would of course be unchanged if volume changes in the components took place sufficiently to offset price changes. This happened, for example, in the 'other income' series between 1974 and 1975, but it is unusual for this to occur. Occasionally, changes in volume may outweigh the price changes (taxes on expenditure in 1977/78), but in most cases the price changes have the dominant influence on the current price share.

The separate effects of price and volume changes on current price shares in TFE are also shown in Table D.

Generally, the difference between the components' shares in total price increases and shares in the base period are not very large, and it is not easy to get a feeling for their relative importance. An alternative approach is to take one component as a basis of comparison and examine how the remaining components accounted for the difference between the cost of price increases in the base component and in TFE. Ideally, prices in the base component should be independent of costs in the others. Imports have been chosen as the basis for the comparison, since import prices

Effects of changes in prices and volumes on current price shares in TFE

TABLE D

	Percentage shares				
	Income from employment	Other income	Taxes on expenditure	Subsidies	Imports
Share in 1973	47·1	23·2	10·9	−1·6	20·4
Shares in 1979 assuming:					
No volume changes 1973–79	48·3	20·5	12·1	−1·9	21·0
No price changes 1973–79	43·1	23·5	11·5	−1·3	23·2
Actual share in 1979	46·4	20·8	12·4	−1·8	22·2

Differences between increases in import prices and total costs of TFE

TABLE E

	Percentage points					
		Part of difference accounted for by:				
	Increase in import costs	Income from employment	Other income	Taxes on expenditure	Subsidies	Increase in total costs of TFE
1973/74	42·6	−9·0	−9·9	−3·0	−1·0	19·7
1974/75	14·0	+8·2	+1·8	+1·1	−0·2	24·9
1975/76	22·1	−5·5	0·0	−0·8	+0·8	16·6
1976/77	14·2	−3·0	+1·0	+0·7	+0·4	13·3
1977/78	2·8	+3·8	+2·0	+0·4	0·0	9·0
1978/79	8·0	+3·5	−0·2	+2·0	−0·2	13·1

reflect world prices which are largely beyond the country's control. However, another very important influence is the exchange rate, and this is almost certainly affected, *inter alia*, by the level of domestically generated inflation. Import prices can therefore be regarded as independent of domestic costs only to a very limited extent.

How the difference between price rises in imports and in the whole economy was explained by changes in domestic costs is analysed in Table E. This shows what difference each component would have made to the increase in the total costs of TFE, had the growth of costs in all other components been the same as in imports. For example, in 1973/74, if the costs of other income, taxes on expenditure and subsidies had all grown by 42·6 per cent (the same rate as import costs), the actual increase in the cost of employment income would have reduced the increase in total costs in TFE by 9·0 percentage points, to 33·6 per cent, compared with what it would have been if the increase in the costs of employment income had also been 42·6 per cent. Increases in import prices were very high between 1973 and 1974 owing to the oil price rise, and so similar results were obtained for the other domestic components of TFE. In 1974/75, the high increases in import prices in the previous year began to feed through to the domestic components of TFE, and the costs of all components except subsidies grew at a faster rate than in imports. In later years the costs of employment income rose more slowly than import prices, but after restrictions on pay increases were lifted, grew more quickly.

The rates of cost increases in total home costs (employment income plus other income) per unit of output, split by industry, are compared in Table F. The results of this comparison should be treated with caution because of unidentified errors in the industry breakdown.‖ The average rate of increase in total costs for all industries was 15·6 per cent per year over the six-year period. Agriculture, forestry and fishing experienced the lowest average rate, of only 11·1 per cent, though this varied extensively from year to year. The hot summers of 1975 and 1976, and their detrimental effect on agricultural output and the consequent rises in prices, are reflected in the growth of costs of over 30 per cent per year between 1974 and 1976. The highest average growth in costs (24·9 per cent per annum) was in mining and quarrying (other than MLH 104 – North Sea oil and gas). Home costs in public administration and defence also rose more rapidly than the average over the period, but it should be noted here that output is measured by the costs of inputs and no allowances are made for changes in productivity.

In Chart 3, average shares of increases in total home costs per unit of output and average shares of home costs are compared, industry by industry. This shows that, in particular, mining and quarrying and manufacturing both account for a greater part of total cost increases than their share in home costs. Agriculture, forestry and fishing and gas, electricity and water both account for markedly less of total cost increases than their average shares in home costs. In other industries, the differences are slight, but it would be surprising if very large discrepancies arose in any industry. As in Chart 2, the two contributions are confounded, in that cost increases in an industry affect the share in total home costs taken by that industry.

‖ These statistical errors appear as a discrepancy between the output and income measures of GDP which are being compared here, and they cannot be allocated to particular industries.

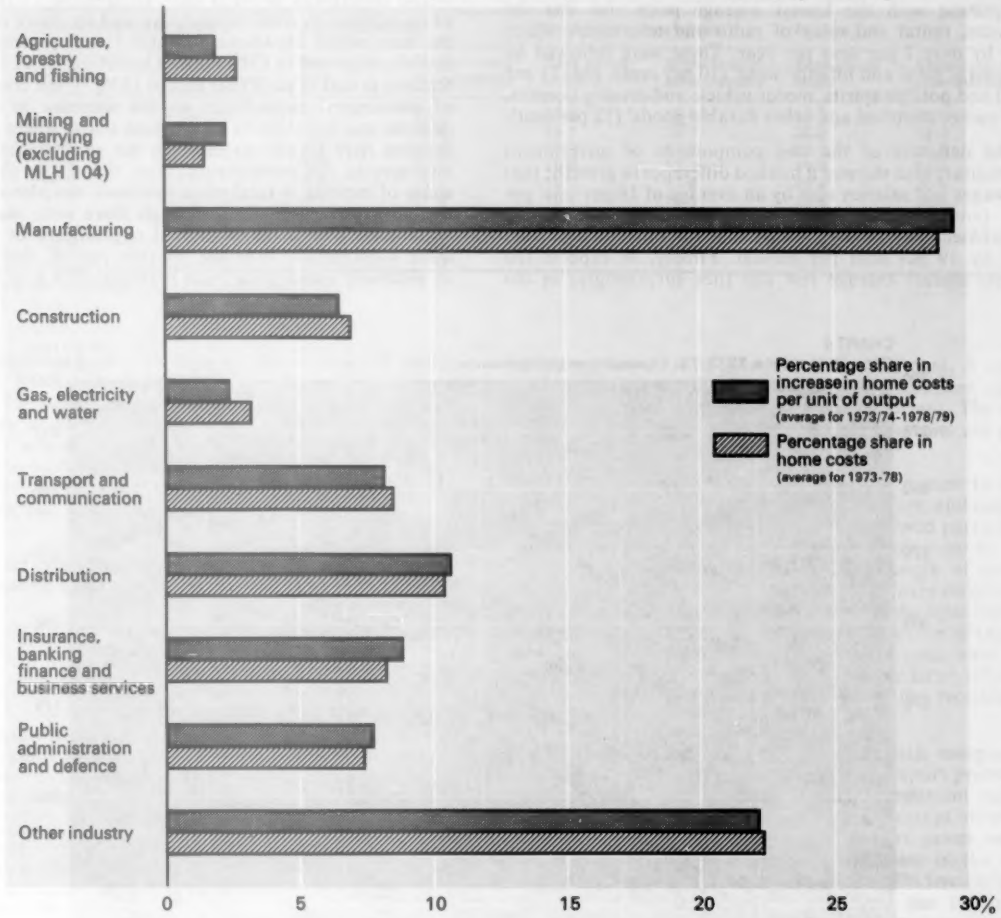
Growth of home costs per unit of output by selected industry groups

TABLE F

	Percentage growth per annum									
	Agriculture, forestry and fishing	Mining and quarrying (exc MLH 104)	Manufacturing	Construction	Gas, electricity and water	Transport and communications	Distribution	Insurance banking finance and business services	Public administration and defence	Total
1973/74	3·3	54·7	10·2	25·6	19·3	19·9	13·1	9·7	24·0	15·7
1974/75	32·2	30·0	33·8	18·5	27·3	25·8	32·7	12·6	31·3	28·8
1975/76	31·6	19·6	13·6	12·5	23·0	20·7	10·8	24·9	11·5	14·4
1976/77	− 4·8	17·1	14·6	6·8	8·2	4·1	17·0	13·0	9·3	11·3
1977/78	0·2	9·9	14·4	7·0	6·0	12·4	12·3	9·5	10·5	11·4
1978/79	9·9	22·7	9·1	16·2	−1·3	10·4	9·8	22·5	15·6	12·8
Average 1973–79	11·1	24·9	15·7	14·2	13·3	15·3	15·7	15·2	16·8	15·6

CHART 3

Percentage shares in increase in home costs per unit of output and in home costs, by industry



Expenditure components

We will now examine how movements in the TFE deflator were distributed between price increases for the main expenditure components (consumers' expenditure, capital expenditure including stockbuilding, government expenditure and exports, all measured at market prices).

In this analysis, consumers' expenditure was split into 59 categories, government expenditure into two (wages and salaries and the rest) and exports into nine. Capital expenditure was not disaggregated. The contributions made to the annual rise in TFE over the six years by price and volume changes in the components are shown in Appendix 1, Table 2. The identified mix effects in the expenditure components were insignificant and have been included in the volume effect.

The rates of price increase for each of the four major components are given in Table G and graphically in Chart 4. There is much less variation between price increases in the expenditure components than on the input side. For the six-year period, average price increases for goods and services entering into consumers' expenditure were less than in TFE as a whole, compared with the above-average increase in employment income. This implies that over the whole period, the rise in income for a fixed amount of work was greater than the rise in price of a fixed selection of goods. Although changes in productivity and direct taxation will also have affected real incomes, this suggests that a rise occurred in consumers' purchasing power. This is confirmed by the growth of real personal disposable income over the period. On the other hand, the cost of capital expenditure grew more rapidly than TFE, in comparison with 'other income', whose costs rose much less rapidly than the average. Thinking of 'other income' as mainly company profits, this suggests a falling rate of return on company investment (which is confirmed by figures presented by the Department of Industry¶).

Within the three expenditure groups which were further disaggregated, there was some considerable variation in the average price increases of the components, as shown by the growth in their deflators. Within consumers' expenditure, the largest annual average price increase was in 'other fuel' (a category which consists mainly of domestic heating oil),

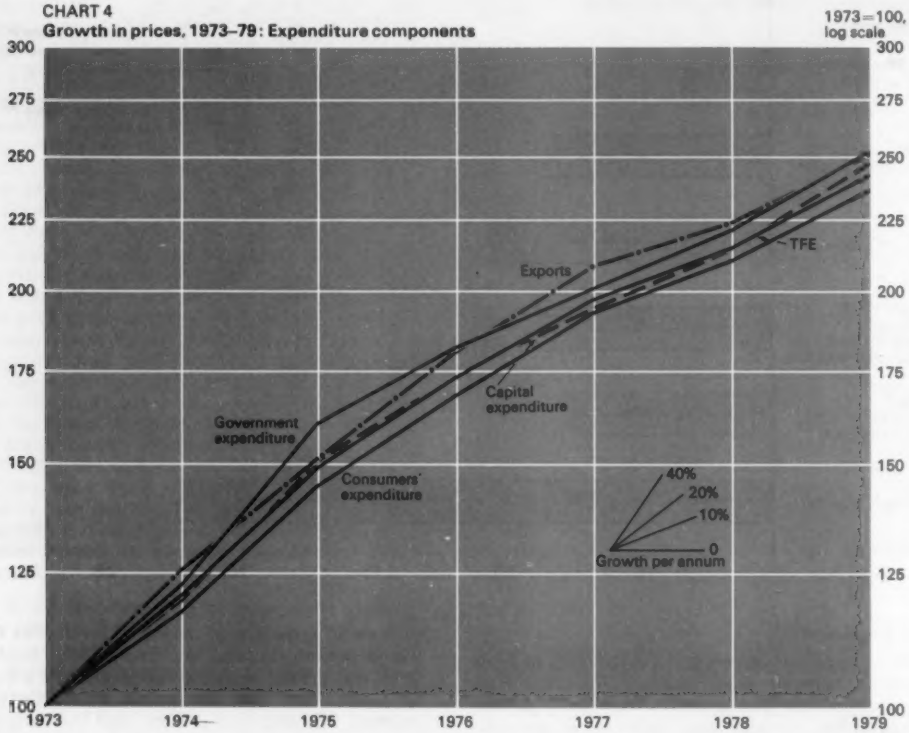
¶ 'Companies' rate of return on capital employed, 1960 to 1979', *British Business*, 3rd October 1980.

which rose by an average 23 per cent per annum. The costs of expenditure on electricity and on 'sugar, preserves and confectionery' also rose by 20 per cent per annum. The component with the lowest average price rise was the 'licences, rental and relay of radio and television', which rose by only 7 per cent per year. These were followed by 'women's, girls' and infants' wear' (10 per cent), gas (11 per cent) and potable spirits, motor vehicle and driving licences, and 'radio, electrical and other durable goods' (12 per cent).

The deflators of the two components of government expenditure also showed a marked difference in growth: that for wages and salaries rose by an average of 16 per cent per year (and its year-to-year movements were affected by government pay policy), whilst that for other expenditure rose by 19 per cent per annum. Finally, in exports the biggest annual average rise was (not surprisingly) in the deflator for fuels (30 per cent) and the smallest were for services and basic materials (14 per cent).

The differences between each component's share in the price increase in total expenditure and its share in TFE in the base period are shown in Table H and summarised for the whole period in Chart 2(b). One of the most significant features is that in each year except 1976/77, the contribution of consumers' expenditure to the increase in the TFE deflator was less than its base period share. There are many features here similar to those in the comparison of price increases in the components. Over the whole period, the share of exports in total price increases was almost exactly the same as in TFE itself, though there were year-to-year variations. The share of capital expenditure in TFE fell quite substantially over the six-year period, due partially to relatively small price rises between 1974 and 1977, but

CHART 4
Growth in prices, 1973–79: Expenditure components



Price increases for the main expenditure components of TFE

TABLE G

	Percentage growth per annum				
	Consumers' expenditure	Capital expenditure[1]	Government expenditure	Exports	TFE
1973/74	17·2	24·4	22·5	25·4	20·7
1974/75	23·6	21·3	31·0	20·5	23·7
1975/76	15·8	14·9	13·7	19·3	16·0
1976/77	15·2	12·2	10·4	15·5	14·0
1977/78	8·7	10·3	10·1	7·8	9·0
1978/79	12·3	15·8	13·9	11·9	13·0
Average 1973–79	15·4	16·4	16·7	16·6	16·0

[1] Including stockbuilding.

Contributions to TFE and to increases in the price of TFE

TABLE H

	Percentages							
	Consumers' expenditure		Capital expenditure[1]		Government expenditure		Exports	
	Base period share	Share in total price increase	Base period share	Share in total price increase	Base period share	Share in total price increase	Base period share	Share in total price increase
1973/74	49·8	41·3	17·1	20·1	14·6	15·8	18·6	22·9
1974/75	47·6	47·4	16·5	14·8	15·1	19·7	20·8	18·0
1975/76	48·3	47·6	14·2	13·2	17·3	14·8	20·2	24·4
1976/77	46·4	50·3	15·2	13·2	16·6	12·3	21·8	24·2
1977/78	46·0	44·7	14·9	17·1	15·7	17·8	23·4	20·5
1978/79	47·0	44·5	14·7	17·9	15·7	16·9	22·6	20·7
Average 1973–79	47·2	46·1	15·2	16·0	15·9	16·3	21·7	21·6

[1] Including stockbuilding.

more significantly due to falls in the volume of capital spending. In the last couple of years its share in the increase in the TFE deflator moved above its base period share. The share of government expenditure in TFE grew until 1975, but subsequently declined. The share in the overall rise in prices of government expenditure was relatively low in 1975–77, but, as for capital expenditure, picked up again in the last two years.

Effects of changes in prices and volumes on current price shares in TFE

TABLE I

	Percentage shares			
	Consumers' expenditure	Capital expenditure[1]	Government expenditure	Exports
Share in 1973	49·8	17·0	14·6	18·6
Shares in 1979 assuming:				
No volume changes 1973–79	47·6	16·4	15·6	20·4
No price changes 1973–79	48·0	13·7	15·0	23·3
Actual share in 1979	47·0	14·9	15·7	22·4

[1] Including stockbuilding.

What has been said above about the effects on shares in TFE of both price and volume movements is summarised in Table I. This table demonstrates what the current price shares in TFE would have been in 1979, had either prices or volumes remained static over the period 1973–79.

Preliminary results for 1979–80

Although at the time of writing a full set of national accounts data for 1980 was not available, changes between 1979 and 1980 have been sufficiently interesting to warrant a preliminary analysis with a limited amount of data. A similar analysis to that already described has therefore been carried out, using data disaggregated to a lesser extent. The main results of this analysis of the input components are given in Table J.

The results for 1979–80 show a similar picture to those for 1978–79. The total rise in costs was higher, and employment income and taxes on expenditure showed particularly large increases in their costs. Import prices rose by only 10 per cent, reflecting the increasing strength of sterling over the period. Employment income and taxes on expenditure both accounted for a greater part of the total increase in costs than their base period shares. The shares of imports and other income in the total increase in costs were considerably less than their shares in TFE, the latter reflecting the squeeze on company profits during the recession in 1980. Subsidies again increased in value.

Table K shows the shares of the domestic components in the difference between the increase in import prices and the cost of TFE. The costs of each component rose at faster rates than in imports, so they all (except subsidies) reduced the difference. The rise in import prices was of course substantially reduced by the increase in the value of sterling between 1979 and 1980 – the effective exchange rate rose by about 10 per cent between the two years. Without this rise, the difference between increases in import prices and in the total costs of TFE would have been much less.

The results of the preliminary analysis of the expenditure components are shown in Table L. These results also tell a similar story to that of 1978–79. Again consumers' expenditure accounted for a smaller part of the rise in the TFE deflator than its base period share; government spending accounted for considerably more and capital expenditure slightly more. The volume of capital expenditure was in fact reduced significantly between the two years, causing its share in TFE to fall to less than 13 per cent in

Preliminary results for 1979–80: input components

TABLE J

	Income from employment	Other income	Taxes on expenditure	Subsidies	Imports	TFE
Cost increase (per cent per year)	20·0	14·6	21·4	22·0	9·9	16·7
Base period share in TFE (per cent)	46·4	20·8	12·3	−1·8	22·3	100·0
Share in rise in total cost of TFE (per cent)	55·3	18·1	15·8	−2·3	13·1	100·0

Differences between increases in import prices and total costs of TFE, 1979–80

TABLE K

	Percentage points				
	Part of difference accounted for by:				
Increase in import prices	Income from employment	Other income	Taxes on expenditure	Subsidies	Increase in cost of TFE
9·9	+4·6	+1·0	+1·4	−0·2	16·7

1980. Conversely, the volume of consumer spending was increased so that its share in TFE rose slightly. This is also true of exports whose prices rose less rapidly than in the economy as a whole.

Conclusions

The analysis has shown which of the input and expenditure components were subject to the most significant movements in costs and prices. Between 1973 and 1979 increases in labour costs were greater than cost increases for TFE as a whole. Prices of consumer goods and services grew more slowly than the average for the economy. The costs of capital assets grew faster than the margins taken by producers. These results cannot, however, be used to show any causality between the movements in costs and prices, or to indicate the determinants of inflation. These wider questions are extensively discussed elsewhere.

Preliminary results for 1979–80: expenditure components

TABLE L

	Consumer's expenditure	Capital expenditure	Government expenditure	Exports	TFE
Price increase (per cent per year)	15·6	18·1	23·2	14·1	16·8
Base period share in TFE (per cent)	47·2	14·9	15·6	22·3	100·0
Share in rise in total cost of TFE (per cent)	43·8	16·0	21·5	18·7	100·0

APPENDIX 1

Input contributions to growth in TFE at current market prices

TABLE 1

Contributions from:		£million, percentages[1] Income from employment	Other income	Taxes on expenditure	Subsidies	Imports	Total final expenditure[2]
1973/74	Prices	10,239 60·0	— 1 —	1,511 8·9	— 1,482 — 8·7	8,095 47·5	18,362 107·7
	Volumes[3]	— 958 — 5·6	— 376 — 2·2	— 163 — 1·0	— 79 — 0·5	267 1·6	— 1,309 — 7·7
	Total	9,281 54·4	— 377 — 2·2	1,348 7·9	— 1,561 — 9·2	8,362 49·0	17,053 100·0
1974/75	Prices	16,466 71·3	4,894 21·2	2,864 12·4	— 691 — 3·0	3,841 16·6	27,374 118·6
	Volumes	— 1,363 — 5·9	— 511 — 2·2	— 171 — 0·7	— 8 —	— 2,237 — 9·7	— 4,290 — 18·6
	Total	15,103 65·4	4,383 19·0	2,693 11·7	— 699 — 3·0	1,604 6·9	23,084 100·0
1975/76	Prices	7,783 29·5	5,664 21·5	2,028 7·7	187 0·7	6,408 24·3	22,070 83·7
	Volumes	1,644 6·2	756 2·9	363 1·4	48 0·2	1,487 5·6	4,298 16·3
	Total	9,427 35·8	6,420 24·3	2,391 9·1	235 0·9	7,895 30·0	26,368 100·0
1976/77	Prices	6,271 24·9	6,079 24·1	3,526 14·0	156 0·6	5,246 20·8	21,278 84·4
	Volumes	1,748 6·9	1,536 6·1	173 0·7	13 0·1	450 1·8	3,920 15·6
	Total	8,019 31·8	7,615 30·2	3,699 14·7	169 0·7	5,696 22·6	25,198 100·0
1977/78	Prices	9,415 38·8	4,880 20·1	1,335 5·5	— 160 — 0·7	1,176 4·9	16,646 68·7
	Volumes	2,659 11·0	1,717 7·1	1,666 6·9	— 202 — 0·8	1,756 7·2	7,596 31·3
	Total	12,074 49·8	6,597 27·2	3,001 12·4	— 362 — 1·5	2,932 12·1	24,242 100·0
1978/79	Prices	15,170 41·3	3,216 8·8	6,093 16·6	— 865 — 2·4	3,658 10·0	27,272 74·3
	Volumes	1,098 3·0	1,754 4·8	1,015 2·8	220 0·6	5,341 14·6	9,428 25·7
	Total	16,268 44·3	4,970 13·5	7,108 19·4	— 645 — 1·8	8,999 24·5	36,700 100·0

[1] The lower number of each pair is the percentage contribution. Components may not sum to totals because of rounding.
[2] Excluding the residual error.
[3] At end year prices.

Expenditure contributions to growth in TFE at current market prices

TABLE 2

£million, percentages[1]

Contributions from:		Consumers' expenditure	Capital expenditure[2]	Government expenditure	Exports	Total final expenditure
1973/74	Prices	7,868 43·0	3,832 20·9	3,004 16·4	4,344 23·7	19,048 104·1
	Volumes[3]	— 1,138 — 6·2	— 1,347 — 7·4	225 1·2	1,517 8·3	— 743 — 4·1
	Total	6,730 36·8	2,485 13·6	3,229 17·6	5,861 32·0	18,305 100·0
1974/75	Prices	12,392 53·6	3,873 16·7	5,152 22·3	4,710 20·4	26,127 112·9
	Volumes	— 457 — 2·0	— 3,161 — 13·7	1,313 5·7	— 684 — 3·0	— 2,989 — 12·9
	Total	11,935 51·6	712 3·1	6,465 27·9	4,026 17·4	23,138 100·0
1975/76	Prices	10,172 36·6	2,814 10·1	3,157 11·4	5,215 18·8	21,358 76·8
	Volumes	155 0·6	2,766 9·9	548 2·0	2,985 10·7	6,454 23·2
	Total	10,327 37·1	5,580 20·1	3,705 13·3	8,200 29·5	27,812 100·0
1976/77	Prices	11,333 46·4	2,974 12·2	2,780 11·4	5,442 22·3	22,529 92·2
	Volumes	— 610 — 2·5	162 0·7	— 350 — 1·4	2,699 11·0	1,901 7·8
	Total	10,723 43·9	3,136 12·8	2,430 9·9	8,141 33·3	24,430 100·0
1977/78	Prices	7,434 31·1	2,841 11·9	2,953 12·4	3,401 14·2	16,629 69·6
	Volumes	5,487 23·0	325 1·4	772 3·2	689 2·9	7,273 30·4
	Total	12,921 54·1	3,166 13·2	3,725 15·6	4,090 17·1	23,902 100·0
1978/79	Prices	12,114 34·9	4,866 14·0	4,587 13·2	5,634 16·3	27,201 78·5
	Volumes	4,296 12·4	775 2·2	795 2·3	1,600 4·6	7,466 21·5
	Total	16,410 47·3	5,641 16·3	5,382 15·5	7,234 20·9	34,667 100·0

[1] The lower number of each pair is the percentage contribution. Components may not sum to totals because of rounding.
[2] Including stockbuilding.
[3] At end-year prices.

APPENDIX 2

Methodology

The results of the analysis described in the main part of the article all stem from a split of the change in TFE at current prices into the contributions made by price changes, total volume changes and variations in the mix of the components. This is done by disaggregating TFE to the lowest level which is practicable, so that price changes in the individual components can be identified.

The value of expenditure on a particular item is defined as its volume multiplied by its price. In the national accounts, the volume is represented by its value at constant prices, and its price by a price index with average value 1 in the base year (1975). By disaggregating as far as possible, it is assumed that each component is a single commodity with a single price. This is an oversimplification, since the degree of disaggregation used did not reach this level, and each component remained a mix of commodities with different prices. The results obtained are therefore deficient in that the effects of changes in the mix of components are not fully identified and removed. The mix effects that were calculated were generally very small. One reason for this was that changes in the shares of components from one year to the next were rarely large – more significant mix effects would be obtained by comparing 1979 with 1973 directly. In addition, the level of disaggregation used was not sufficient to detect all substitution effects in consumption – for example switches between margarine and butter.

For each component, the change in its current price value is split as follows. Letting p_t and q_t represent respectively the price index and the constant price volume measure in year t, the change at current prices is given by

$$p_t \cdot q_t - p_{t-1} \cdot q_{t-1}$$

Since most of the interest in the article centres around prices, it is sensible to isolate this component first. This is given by

$$(p_t - p_{t-1}) \cdot q_{t-1}$$

i.e., the change in value of the opening volume caused by the price change. The price inflation rate is then given as this value expressed as a percentage of the current price value in year t–1. The price contributions are additive over all components; hence the price effect in the total can be formed. The share of each component in the total price effect is therefore given by its own contribution as a percentage of this total.

For each component series, the remainder of the current price change, after allowing for the price effect, is due to volume change, and is given by

$$p_t \cdot (q_t - q_{t-1}).$$

However, when the components are summed, part of the total volume change is due to changes in the mix of differently priced components. The definition of the mix contribution is not uniquely specified, and alternatives to the method used can be envisaged. The following expression for the contribution of each series to the mix effect was used:

$$p_t \cdot (q_t - q_{t-1} \cdot \frac{\Sigma q_t}{\Sigma q_{t-1}}),$$

where Σq_t is the sum over all components of the volumes. This expression represents the change in the value of the component at the prices of year t, caused by variation in its volume share in the total. The total mix effect is the sum of these contributions. Mix effects were estimated both within the major components of TFE and also between these components, by using different volumes in the expression.

This expression results in an anomaly which arises from the use of constant price values as volume measures. When $t = 1975$, the price index takes the value 1 for all components, and the mix effects sum to zero. Any real mix effects between 1974 and 1975 are absorbed in the total volume effect.

After removing both the price and mix effects from the total change at current prices, what remains is due to an overall change in the total volume. This is given by

$$\Sigma p_t \cdot q_{t-1} \cdot \left(\frac{\Sigma q_t}{\Sigma q_{t-1}} - 1 \right)$$

in which each term in the sum is that percentage of the opening volume equal to the percentage change in the total volume, valued at end year prices.

Research and development: expenditure and employment in the seventies

J. R. BOWLES, Department of Industry

Introduction

During 1978 over £3,500 million was spent on research and development (R&D) in the United Kingdom. The precise figure is not known because, whilst a survey of government expenditure is carried out for all R&D as defined in Appendix 2, the inquiry addressed to industry is limited to R&D related to science and technology – R&D (ST). The extent of the funding omitted in this way is estimated to be less than one per cent of the figure quoted above.

Table A, part *a*, shows how the sum devoted to R&D (ST) was distributed between performers and funders, and the way it increased over the years 1964 to 1978. The data in Table A and later in the article take into account the results of the 1978 industrial survey, and also the final estimates of government expenditure and employment for the financial year 1978/79, together with provisional estimates for the year 1979/80.

Part *b* of Table A shows expenditure on R&D (ST) revalued to 1975 prices by specially calculated deflators. Conversion of industrial expenditure was by means of deflators derived by the Department of Industry but price indices calculated by the Statistical Office of the European Communities (SOEC) were used to deflate expenditure by Government from 1970 onwards.

Expenditure for 1978, calculated on this basis, was 10 per cent higher in real terms than in 1975. This is the first such significant rise since the series started in 1964. Further, the rise occured entirely within industry. Government-performed R&D over the period since 1975 fell by nearly 10 per cent, the largest amount since the series began. The charts illustrate the movements in the main series over the years for which statistics are available. It is clear that, although total R&D (ST) expenditure at current prices increased more than fourfold between 1964 and 1978, there was little change in its volume. The volume of government expenditure has fallen gradually, with a steeper fall between 1975 and 1978.

Part *c* of Table A relates expenditure in R&D (ST) to gross domestic product at market prices (GDP). Since the percentages are calculated using current-priced data, changes in them reflect not only changes in GDP and R&D but also the effects of relative price movements in R&D as compared with prices in general. The work on R&D price deflators has shown that the highly labour-intensive R&D costs of recent years have tended to rise faster than a general price index.

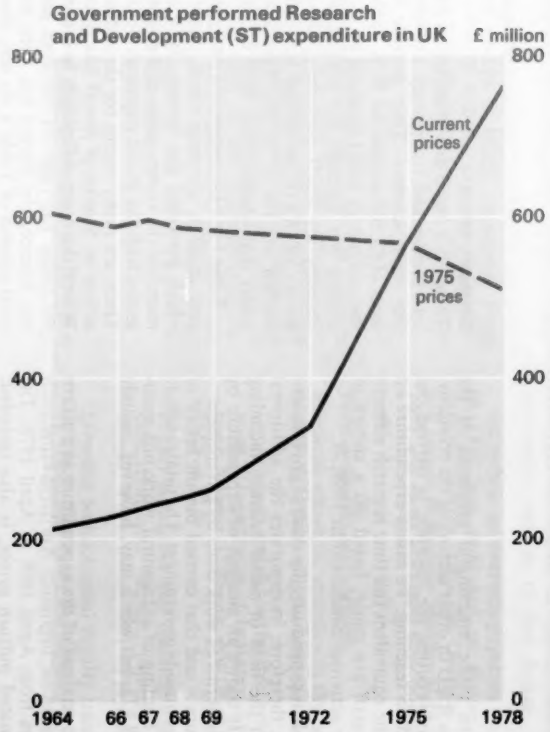
The final part of Table A, section *d*, shows central government and industry employment in R&D (ST). It is difficult,

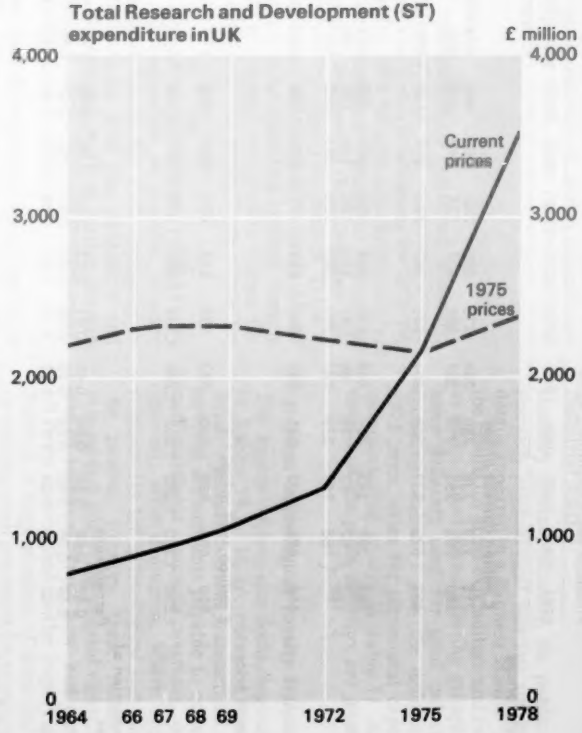
Expenditure and employment on research and development (ST) in the United Kingdom[1]

TABLE A

	1964	1966	1967	1968	1969	1972	1975	1978
(*a*) Expenditure at current prices								
i Analysis by performer:	**£ million, current prices**							
By government	212	229	238	249	263	337	566	758
By universities[2] and further education establishments	47	55	62	72	80	115	179	317
By industry	489	580	605	639	680	831	1,340	2,324
By other sectors	20	24	24	26	22	30	66	111
Total	768	888	929	986	1,045	1,313	2,151	3,510
ii Analysis by funds[3]								
By government	412	436	453	479	529	640	1,117	1,651
By industry	316	393	409	443	449	571	877	1,552
By other sectors[4]	40	59	67	64	67	102	157	307
Total	768	888	929	986	1,045	1,313	2,151	3,510
(*b*) Expenditure at constant prices[5]	**£ million, 1975 prices**							
Government performed	607	593	598	588	584	575	566	511
Industry performed	1,400	1,504	1,514	1,506	1,513	1,418	1,340	1,566
Total[6]	2,201	2,301	2,328	2,325	2,323	2,242	2,151	2,365
	Percentages							
(*c*) Total expenditure as a porportion of GDP at market prices	2·32	2·34	2·32	2·28	2·25	2·07	2·06	2·14
(*d*) Employment on R and D (end-year)	**Thousands**							
Central government	..	..	..	..	..	75·6	77·4	71·3
Industry	..	..	219·0	216·2	212·0	183·4	180·6	190·1

[1] Excluding research in the social sciences and humanities; excluding work performed abroad. Figures relate to calendar years or corresponding financial or academic years.
[2] Only very tentative estimates are available for this sector.
[3] As returned by performing sectors.
[4] Including overseas sector.
[5] Current price data revalued by the UK price index of industrial R and D, except for that performed by government in 1972, 1975 and 1978. In those cases the SOEC price index has been used. (See text.)
[6] Including R and D performed by other sectors.


Government performed Research and Development (ST) expenditure in UK
£ million
800
600
400
200
0
Current prices
1975 prices
1964
66
67
68
69
1972
1975
1978


Total Research and Development (ST) expenditure in UK
£ million
4,000
3,000
2,000
1,000
0
Current prices
1975 prices
1964
66
67
68
69
1972
1975
1978

Research and development performed and financed by central government[1]

TABLE B

	Financial years beginning April														
	1964	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979[2]
***a* Expenditure at current prices**															
Gross expenditure[3]:	£ million current prices														
Intramural[4]	213	229	239	250	264	279	320	340	368	454	574	639	700	766	920
Extramural	280	293	293	315	337	366	427	524	548	666	845	967	1,079	1,298	1,647
Total	493	522	532	565	601	645	747	864	916	1,120	1,419	1,606	1,779	2,064	2,567
Net Expenditure:															
Defence	284	261	242	237	239	259	304	354	406	499	664	755	871	1,029	1,311
Research councils[5]	180	57	67	75	86	97	113	124	122	140	168	196	207	239	279
Other civil		168	194	219	237	250	282	299	343	435	531	564	582	674	813
Total	464	486	503	531	562	606	699	777	871	1,074	1,363	1,515	1,660	1,942	2,403
***b* Expenditure at constant prices[6]**	£ million 1975 prices														
Intramural[4]	610	594	599	590	587	573	592	572	556	578	574	551	539	530	556
Total net expenditure	1,330	1,260	1,260	1,252	1,250	1,244	1,293	1,306	1,317	1,366	1,363	1,307	1,279	1,343	1,453
***c* Expenditure as a proportion of GDP at market prices**	Percentages														
Defence	0·86	0·69	0·60	0·55	0·51	0·51	0·53	0·56	0·56	0·60	0·64	0·61	0·61	0·63	0·69
Civil	0·54	0·59	0·65	0·68	0·70	0·68	0·69	0·67	0·64	0·69	0·69	0·61	0·55	0·56	0·58
Total net expenditure	1·40	1·28	1·25	1·23	1·21	1·19	1·22	1·23	1·19	1·30	1·32	1·22	1·16	1·18	1·27
***d* Employment on R and D (end calendar year)**	Thousands														
Total	..	..	..	..	..	..	79·0	76·3	75·5	77·4	78·3	76·0	74·2	72·3	71·2

[1] As returned by government. Including research in the social sciences and humanities; including work performed abroad.
[2] Provisional.
[3] R and D financed by central government, as returned by government (includes receipts used directly to finance expenditure, which are not in the figures of net expenditure).
[4] R and D carried out by central government.
[5] The figures reflect the transfer of part of the funds provided by government for research councils to departments in 1973/74 to 1975/76.
[6] Current price data revalued by the SOEC index for the years 1970 to 1979 and the UK industrial R and D price index for the years 1964 to 1969 (see text).

if not impossible, to make meaningful estimates of the number employed on R&D in other sectors of the economy. Research work in universities, for instance, is carried out by staff also engaged on teaching. To assess expenditure on R&D, estimates of the equivalent full time research element of these university staff are made, based on a survey of time spent on major activities conducted in 1969/70.

Table B is devoted to expenditure by central government on total R&D and, therefore, incorporates the additional element of R&D in the field of social science, including economic research. It shows an analysis of expenditure by central government in terms of work done by government – intramural expenditure – and that carried out on behalf of government by bodies outside government. The totals exclude central government funding of extramural work not specifically identified as R&D, but which may, however, include R&D.

Part *a* provides an analysis of the expenditure at outturn prices for the financial year beginning April 1964 and each of the financial years from April 1966 to April 1978. The 1979 result, at estimated outturn prices, is also included. Part *b* gives intramural and total net expenditure in constant 1975 prices. Part *c* provides the ratio of R&D net expenditure to GDP at market prices, dividing the percentages between defence and non-defence elements. Employment on R&D within government is shown in part *d*.

Summary tables

Tables 1, 2 and 3 are restricted to R&D (ST) – i.e. research into science and technology, excluding R&D in the field of the social sciences. They provide further analyses of the total of £3,500 million for 1978. Table 1 shows, additionally, the amount of R&D financed by the UK Government and carried out abroad. The corresponding payment by UK industry for R&D performed abroad is not known. No survey of R&D performed by local authorities has been carried out for 1978; the figures appearing in the tables under that heading have been estimated.

Table 1 is a two-way cross analysis of R&D (ST) expenditure in 1978, showing which sector performed R&D and which provided the finance. It is not always possible to reconcile the components of the expenditure by a particular sector with the stated payments by the funders of the R&D. There are many resons for these discrepancies and an early article in *Statistical News*[2] has discussed the background. Where there are differences between the information from the sector carrying out the work and the sector providing the finance, the former has been used. The figures in the total column of Table 1 do not, therefore, record the total amount of R&D financed by sectors as reported by the funding sector. In Tables 2 to 7, and 11 to 13, for central government and for industry, the total amounts for expenditure shown do relate to the amounts recorded as being spent on R&D by these two sectors in their role as funders.

Table 2 gives a further analysis of the column totals of Table 1. With some further disaggregation of government R&D, it distinguishes between three kinds of current expenditure and two of capital expenditure. Table 3 provides an additional analysis of the element of current expenditure in terms of the three types of work, basic research, applied research and development.

Central government tables

Central government expenditure is surveyed annually, covering R&D in social science as well as natural science and engineering. Tables 4 to 7, give final figures for 1978/79, with provisional results for 1979/80, and some first estimates up to 1981/82. The United Kingdom functional analysis of Tables 4, 5 and 6 is based on that used in the Public Expenditure Survey[3]. The analysis by objectives used in Table 7 follows the format used to meet the requirements of the SOEC[4]. Gross expenditure is so described because receipts from the venture being researched, and used to finance the expenditure, are not deducted. Net expenditure allows for this adjustment.

Table 4 examines the gross expenditure on R&D by central government. Reconciliation is possible between these figures and the total figures for 1978 appearing in Table B. The table analyses the total into intramural and extramural payments. Intramural work is further broken down by type of expenditure, current or capital. Extramural payments are those quoted by the performer.

Table 5 compares the three successive financial years up to and including 1978/79, distinguishing the type of work. Social science R&D is excluded. Only current expenditure is analysed into basic research, applied research and development. The totals of Table 5 are, therefore, only a part of those of Table 4.

Table 6 covers the same three-year period, but adds the the provisional outturn for 1979/80. Net expenditure is analysed in this case, and social science R&D is shown separately. Both current and capital expenditure is included.

Table 7 provides budgeted estimates for 1980/81 and 1981/82, analysed by broad groups of SOEC objectives. Final figures for 1977/78, 1978/79 and the provisional outturn for 1979/80, are shown with the fully detailed classification of objectives.

Research councils

Tables 8 and 9 present information about the five research councils for the years 1974/75 to 1979/80. No new information has become available since these tables were reproduced in the July 1979 *Economic Trends* article. Table 8 shows the current and capital expenditure, including expenditure on postgraduate awards, of each of the research councils. Table 9 gives particulars of expenditure by individual research councils in support of research at universities, including studentships, fellowships and bursaries paid to students for their personal maintenance.

Employment

Table 10 contains details of employment on R&D within central government on 1 January 1979, and provisional figures for 1980. An analysis of staff is given using the functional headings of Table 4.

Industrial R&D

Industry (private industry, the public corporations and the research associations) was last surveyed for 1978 and full details appeared in a *Business Monitor*[5]. Table 11 summarises the results for gross expenditure and intramural expenditure, in seven broad manufacturing groups. Table 12 shows the price deflators used for total industrial R&D in manufacturing. Table 13 uses the deflators to give a constant 1975 price series for intramural expenditure by the seven manufacturing groups in Table 11. As already mentioned, details of the price deflators are given in *British business*[1].

Overseas technological royalty transactions

The figures of overseas technological royalty transactions in Tables 14 to 16 are obtained from the Department of Trade's annual overseas transactions inquiry. Transactions covered are amounts payable to or receivable from related and unrelated concerns overseas, on current or capital account, after deduction, where appropriate, of UK or overseas tax for technological and mineral royalties including patents, licences, trade marks, designs, copyright, mining and quarrying mineral rights, manufacturing rights, use of technical 'know how' and technical assistance. Not all firms approached in the inquiry provided information. Further, a large number of firms and individuals receiving or making small payments for royalties were not approached. Estimates for all firms in Table 14 include an allowance for transactions of non-responding and exempt firms, based on returns to previous inquiries and assumptions that the experience of small firms outside the inquiry would resemble that of similar firms in the inquiry. As it is not possible to allocate the non-response by country or industry, the more detailed Tables 15 and 16 are based solely on returns received in the inquiry. For these reasons the estimates given in Table 14, shown to the nearest £0·1 million, are not necessarily accurate to that degree.

An article on overseas royalties and similar transactions in 1979 was published in *British business*[6], and more detailed figures from the Overseas Transactions Inquiry will appear in *Business Monitor MA4, Overseas Transactions* 1979, due to be published later this year.

Further sources and contacts

Enquiries about the statistics in this article should be made to one of the following, as appropriate.

Government and industrial R&D expenditure and employment: Department of Industry, S1A, Room 1928, Millbank Tower, Millbank, SW1P 4QU; telephone 01-211 7152 or 5156.

Higher education and research councils: Department of Education and Science, (Statistics Branch), Elizabeth House, York Road, SE1 7PH; telephone 01-928 2346.

Overseas technological royalty transactions: Department of Trade, Sanctuary Buildings, 16–20 Great Smith Street, SW1P 3DB; telephone 01–211 3409.

APPENDIX 1

Research and development (ST) performed in each sector according to source of finance[1]—1978

TABLE 1

	£ million							
	Sector carrying out the work							
	Government	Universities and further education establishments	Public corporations	Research associations	Private industry	Other	Total performed in the United Kingdom	Research carried out abroad
Sector providing the funds								
Government	646·7	247·1	3·4	13·7	662·6	77·9	1,651·4	164·2
Universities[2]	—	28·4	—	—	—	—	28·4	
Public corporations	2·9	6·1	203·1	7·6	39·9	—	259·7	..
Research associations	—	—	—	8·2	—	—	8·2	..
Private industry	60·8	6·1	0·7	15·0	1,184·5	17·1	1,284·2	..
Overseas	26·5	8·1	5·3	6·3	173·9	2·5	222·6	..
Other	21·2	21·5	—	—	—	13·1	55·8	..
Total cost of research and development performed	758·1	317·3	212·5	50·8	2,061·0	110·6	3,510·3	..

[1] Research in the social sciences is excluded
[2] Including also further education establishment

Source: Department of Industry

Current and capital expenditure on research and development (ST)[1]—1978

TABLE 2

	£ million							
	Current				Capital			Total current and capital
	Salaries and wages	Materials and equipment	Other expenditure	Total	Land and buildings	Plant and equipment	Total	
Sector carrying out the work								
Government:								
Defence	185·7	90·2	16·5	292·4	15·5	23·0	38·6	331·0
Civil								
Research councils	72·4	33·8	18·3	124·5	8·4	19·5	27·8	152·3
Other central government	128·9	68·8	48·6	246·2	5·5	20·0	25·6	271·8
Local authorities[2]	1·9	0·8	0·1	2·8	0·1	0·1	0·2	3·0
Total government	388·9	193·6	83·5	665·9	29·5	62·6	92·2	758·1
Universities and further education establishments	172·1	21·3	110·6	304·0	0·8	12·4	13·3	317·3
Public corporations	105·9	55·9	32·9	194·7	4·2	13·5	17·8	212·5
Research associations	25·8	6·0	13·3	45·1	2·4	3·3	5·7	50·8
Private industry	954·9	437·8	471·0	1,863·7	60·3	137·0	197·3	2,061·0
Non-profit-making organisations	20·5	4·5	4·5	29·5	2·7	1·0	3·7	33·2
Total (excluding other organisations)	1,668·1	719·1	715·8	3,102·9	99·9	229·8	329·9	3,432·9
Other organisations	..	..	..	..	..	..	..	77·4
Total	..	..	..	..	..	..	..	3,510·3

[1] Research in the social sciences is excluded
[2] Estimated

Source: Department of Industry

Current expenditure on research and development by type of work (ST)[1]—1978

TABLE 3

	£ million				
	Basic research	Applied research	Development	Unallocated	Total
Sector carrying out the work					
Government:					
Defence	5·8	73·1	213·5	—	292·4
Civil					
Research councils	94·7	29·8	—	—	124·5
Other central government	18·2	73·9	139·1	15·1	246·2
Local authorities[2]	0·2	1·3	1·3	—	2·8
Total civil	113·1	105·0	140·4	15·1	373·5
Total government	118·9	178·1	353·9	15·1	665·9
Non-government:					
Universities	—	—	—	295·2	295·2
Further education establishments	2·0	6·0	0·8	—	8·8
Public corporations	3·0	69·8	121·9	—	194·7
Research associations	2·8	27·6	14·7	—	45·1
Private industry	63·6	351·9	1,448·2	—	1,863·7
Total (excluding non-profit-making and other organisations)	71·4	455·3	1,585·6	295·2	2,407·5
Non-profit-making organisations	8·2	17·2	4·2	—	29·5
Total non-government[3]	79·6	472·5	1,589·8	295·2	2,437·0
Total[3]	198·5	650·6	1,943·7	310·3	3 102·9

[1] Research in the social sciences is excluded
[2] Estimated
[3] Excluding other organisations

Source: Department of Industry

Gross central government expenditure on research and development—1978/79

TABLE 4

	£ million										
	Intramural					Extramural					
	Current										
	Salaries and wages	Other	Total	Capital	Total intra-mural	Universities and further education establish-ments	Private industry and public corpora-tions	Other	Overseas	Total extra-mural	Total intra and extra-mural
R&D in science and technology											
Defence	185·7	106·7	292·4	38·6	331·0	3·0	648·8	0·5	78·8	731·2	1,062·2
Civil											
Overseas services	2·2	0·8	3·0	0·3	3·3	2·9	0·1	0·3	7·0	10·3	13·6
Agriculture, fisheries and forestry	21·3	5·9	27·2	2·6	29·7	0·3	1·3	16·2	—	17·7	47·5
Industry, trade and employment											
Aerospace	—	—	—	0·6	0·6	0·2	92·4	—	30·6	123·2	123·8
Energy	71·1	85·3	156·4	16·1	172·5	1·6	18·9	0·1	0·6	21·1	193·6
Other industry, trade and employment	11·3	4·6	15·9	2·9	18·8	1·3	25·2	4·2	0·1	30·8	49·6
Environmental services	13·0	6·0	18·9	2·0	20·9	2·1	5·7	6·2	0·2	14·1	35·0
Law, order and protective services	0·4	1·1	1·6	0·1	1·6	0·1	1·8	—	—	1·9	3·5
Education and libraries, science and arts											
Agricultural Research Council	11·9	6·1	18·0	2·4	20·4	1·8	—	33·0	—	34·9	55·2
Medical Research Council	24·2	9·8	34·0	5·9	39·9	13·0	—	7·3	1·4	21·8	61·7
Natural Environment Research Council	17·6	16·3	33·9	5·9	39·8	2·7	1·3	3·5	—	7·5	47·3
Science Research Council	18·7	19·8	38·5	13·7	52·2	34·6	—	0·9	45·6	81·1	133·3
Other science, etc.	3·2	0·6	3·8	—	3·8	0·8	—	2·5	—	3·3	7·0
Universities in the United Kingdom	—	—	—	—	—	173·5	—	—	—	173·5	173·5
Health and social security	2·1	0·7	2·8	0·1	2·9	2·2	2·1	1·8	—	6·2	9·1
Other public services and common services	1·1	9·5	10·6	0·3	10·9	—	—	—	—	—	10·9
Northern Ireland	3·3	2·9	6·2	0·6	6·7	—	0·1	0·7	—	0·8	7·6
Total civil	201·3	169·4	370·7	53·4	424·1	237·2	148·8	76·8	85·4	548·2	972·2
Total R&D in science and technology	387·0	276·1	663·1	92·0	755·1	240·2	797·6	77·2	164·2	1,279·3	2,034·4
Social science R&D[1]											
Defence	0·3	—	0·4	—	0·4	—	—	—	—	—	0·4
Civil											
Overseas services	—	—	—	—	—	0·2	—	—	0·3	0·6	0·6
Industry, trade and employment	0·7	0·2	0·9	—	0·9	0·6	0·2	0·8	—	1·7	2·6
Environmental services	3·3	0·7	4·0	0·3	4·3	1·0	1·4	1·3	—	3·7	7·9
Law, order and protective services	0·6	—	0·6	—	0·6	0·2	—	0·1	—	0·3	0·9
Education and libraries, science and arts[2]											
Social Science Research Council	0·9	0·5	1·4	—	1·4	3·8	—	0·6	—	4·4	5·8
Education, etc.	0·1	—	0·1	—	0·1	0·9	—	2·1	0·1	3·0	3·2
Health and social security	1·9	0·1	2·0	0·2	2·2	2·1	0·1	1·3	—	3·5	5·8
Other services[3]	1·0	0·3	1·3	—	1·3	0·2	0·1	0·8	—	1·1	2·4
Total civil	8·5	1·8	10·2	0·5	10·7	9·0	1·9	7·0	0·4	18·4	29·1
Total social science R&D	8·8	1·8	10·6	0·5	11·1	9·0	1·9	7·0	0·4	18·4	29·5
Total expenditure on R&D	395·8	277·9	673·7	92·5	766·2	249·2	799·5	84·3	164·7	1,297·7	2,063·9

[1] The figures for social science R&D are less reliable than those for R&D in general because of the difficulties of distinguishing between social science and other research and between social science research and other related activities such as information services and general purpose data collection.

[2] No estimate of social science R&D carried out in universities and financed by the government general grant in aid has been included.

[3] Including agriculture, fisheries and forestry, other public services, common services and Northern Ireland.

Source: Department of Industry.

Gross central government current intramural expenditure by type of work (ST)[1]

TABLE 5

£ million

	1976/77					1977/78					1978/79				
	Basic research	Applied research	Develop-ment	Un-allocated	Total	Basic research	Applied research	Develop-ment	Un-allocated	Total	Basic research	Applied research	Develop-ment	Un-allocated	Total
Defence	5·1	54·0	181·4	8·6	249·1	5·4	57·9	193·5	9·3	266·1	5·8	73·1	213·5	—	292·4
Civil															
Overseas services	—	1·5	0·8	—	2·3	0·1	1·8	0·9	—	2·8	—	1·9	1·0	—	3·0
Agriculture, fisheries and forestry	2·4	15·1	3·8	—	21·3	3·3	16·0	5·2	—	24·5	1·7	20·1	5·4	—	27·2
Industry, trade and employment															
Aerospace	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy	7·2	15·7	89·1	—	112·0	7·3	23·1	99·0	—	129·4	9·0	26·7	120·6	—	156·4
Other industry, trade and employment	0·6	11·0	1·0	1·1	13·7	0·6	11·9	1·1	1·2	14·8	0·7	12·6	1·2	1·4	15·9
Environmental services	1·0	13·6	6·1	—	20·7	1·1	12·7	4·6	—	18·4	0·6	8·9	4·2	5·2	18·9
Law, order and protective services	—	0·1	1·6	—	1·7	—	0·2	3·1	—	3·3	—	0·2	1·0	0·3	1·6
Education and libraries, science and arts:															
Agricultural Research Council	7·9	6·8	—	—	14·7	9·9	6·4	—	—	16·3	11·0	7·0	—	—	18·0
Medical Research Council	14·9	14·4	—	—	29·3	15·4	14·8	—	—	30·2	17·3	16·7	—	—	34·0
Natural Environment Research Council	21·2	4·6	—	—	25·8	24·4	5·4	—	—	29·8	27·8	6·1	—	—	33·9
Science Research Council	33·5	—	—	—	33·5	35·0	—	—	—	35·0	38·5	—	—	—	38·5
Other science, etc.	2·7	0·5	0·1	—	3·3	2·9	0·5	0·2	—	3·6	3·0	0·6	0·2	—	3·8
Health and social security	—	5·8	5·5	—	11·3	—	6·6	6·7	—	13·3	—	2·7	0·1	—	2·8
Other public services and common services	—	0·1	1·9	4·8	6·8	—	—	2·3	6·4	8·7	—	—	2·4	8·1	10·6
Northern Ireland	2·6	0·1	2·7	—	5·4	2·9	—	2·9	—	5·8	3·0	0·1	3·0	—	6·2
Total civil	94·0	89·3	112·6	5·9	301·8	102·9	99·4	126·0	7·6	335·9	112·8	103·7	139·1	15·1	370·7
Total	99·1	143·3	294·0	14·5	550·9	108·3	157·3	319·5	16·9	602·0	118·7	176·8	352·6	15·1	663·1

[1] Excluding social science R&D.

Source: Department of Industry.

Net central government expenditure on research and development

TABLE 6

	£ million			
	1976/7	1977/8	1978/9	1979/80 (Provisional outturn)
R&D in science and technology				
Defence	754·9	870·6	1,028·6	1,310·7
Civil				
Overseas services	10·7	12·6	16·3	14·9
Agriculture, fisheries and forestry[1]	61·4	68·5	72·5	87·5
Industry, trade and employment:				
Aerospace	101·0	87·1	106·3	146·1
Energy	113·5	125·8	132·8	154·1
Other industry, trade and employment	43·6	42·6	55·7	72·9
Environmental services	41·1	37·5	41·6	49·3
Law, order and protective services	4·5	5·2	3·7	4·5
Education and libraries, science and arts:				
Agricultural Research Council	19·2	20·7	26·0	29·1
Medical Research Council	36·9	38·9	46·9	56·9
Natural Environment Research Council	21·2	23·8	28·1	32·2
Science Research Council[2]	113·0	118·4	132·2	154·1
Other science etc	6·2	6·7	6·9	8·5
Universities in the United Kingdom	127·9	135·7	173·5	200·0
Health and social security[3]	19·6	20·3	22·1	26·7
Other public services	0·2	0·2	0·1	0·3
Common services	6·9	8·9	10·8	11·5
Northern Ireland	6·0	6·7	7·0	8·7
Total civil	732·9	759·6	882·5	1,057·3
Total R&D in science and technology	1,487·8	1,630·2	1,911·1	2,368·0
Social science R&D[5]				
Defence	0·4	0·3	0·4	0·5
Civil				
Overseas services	0·4	0·9	0·6	0·6
Agriculture, fisheries and forestry	0·1	0·1	0·1	0·2
Industry, trade and employment	2·4	2·9	2·8	3·7
Environmental services	5·8	8·3	9·2	6·9
Law, order and protective services	1·2	0·7	0·9	1·1
Education and libraries, science and arts[6]:				
Social Science Research Council	5·6	5·1	5·7	6·7
Education, etc	3·5	3·6	3·1	5·0
Health and social security[4]	6·5	6·4	6·1	7·0
Other public services	1·2	1·3	1·4	2·0
Common services	—	—	—	—
Northern Ireland	0·3	0·4	0·9	1·0
Total civil	27·0	29·7	30·8	34·2
Total social science R&D	27·4	30·0	31·2	34·7
Total expenditure on R&D	1,515·2	1,660·2	1,942·3	2,402·7
[1] *of which* Scottish Departments	16·0	17·6	19·4	22·7
[2] *of which* subscriptions to the European Organisation for Nuclear Research	23·2	23·8	27·7	29·4
[3] *of which* Scottish Departments	2·4	2·7	2·8	4·2
[4] *of which* Scottish Departments	0·1	0·1	0·3	0·3
[5] See footnote [1] on Table 4				
[6] See footnote [2] on Table 4				

Source: Department of Industry

Net central government expenditure on research and development: analysis by European Community objectives

TABLE 7

	£ million				
	1977/8	1978/9	1979/80 (Provisional outturn)	1980/81 (Estimates)	1981/82 (Estimates)
Exploration and exploitation of the earth and its atmosphere:					
General	1·1	0·3	0·6	..	..
Soil and substratum	10·9	9·8	11·2	..	..
Land hydrology	0·4	0·7	1·7	..	..
Seas and oceans	3·5	3·5	4·9	..	..
Atmosphere	—	—	—	..	..
Other	—	—	—	..	..
Total	15·9	14·4	18·5	21·8	26·9
Planning of the human environment:					
General	1·0	0·5	0·6	..	..
Land development	2·0	2·8	3·3	..	..
Construction and planning of buildings	10·9	10·5	11·6	..	..
Civil engineering	6·5	4·7	6·3	..	..
Transport systems	9·3	12·6	14·3	..	..
Telecommunications systems	0·1	0·1	0·4	..	..
Water supply	2·0	2·4	1·4	..	..
Other	1·4	1·5	1·2	..	..
Total	33·2	35·2	39·2	41·4	51·6
Protection and improvement of human health:					
General	0·7	1·2	1·8	..	..
Medical	21·9	23·0	27·9	..	..
Food hygiene and nutrition	2·6	2·9	4·1	..	..
Pollution	16·7	17·3	19·4	..	..
Other	3·1	3·3	3·8	..	..
Total	45·0	47·8	57·1	61·0	71·1
Production, distribution and rational utilisation of energy:					
General	0·1	0·1	0·1	..	..
Primary energy products and associated products	23·9	23·9	29·7	..	..
Primary energy conversion	87·3	99·5	114·5	..	..
Production, storage, transportation and distribution of electricity, gas, steam and hot water	0·4	0·5	0·6	..	..
Energy conservation	0·6	1·0	2·0	..	..
Other	—	—	—	..	..
Total	112·3	125·1	147·0	166·3	214·0
Agricultural productivity and technology:					
General	11·7	13·3	16·9	..	..
Domestic and wild animal products	28·3	31·3	34·1	..	..
Crops (including forestry) and wine	29·5	31·5	34·7	..	..
Fishing and fishery products	3·8	5·1	7·5	..	..
Other	3·7	3·8	3·9	..	..
Total	77·0	84·9	97·1	102·5	131·7
Industry productivity and technology:					
General	2·0	10·6	13·9	..	..
Metalliferous ores and preliminary processing of metals	1·9	1·5	1·8	..	..
Other minerals not used for energy production and their processing	0·3	0·2	—	..	..
Products of the chemical industry	1·1	1·2	1·7	..	..
Metal articles, mechanical machinery and equipment	2·3	3·2	5·4	..	..
Electrical, electromechanical and electronic engineering	8·2	11·1	14·0	..	..
Precision and optical instruments	0·8	1·0	2·0	..	..
Civil transport equipment	59·9	80·8	118·3	..	..
Products of other industries	5·6	8·5	9·9	..	..
Other	6·9	1·2	1·4	..	..
Total	89·0	119·3	168·5	154·5	249·4

Source: Department of Industry

Net central government expenditure on research and development: analysis by European Community objectives

TABLE 7 (*continued*)

	£ million				
	1977/78	1978/79	1979/80 (Provisional outturn)	1980/81 (Estimates)	1981/82 (Estimates)
Social and sociological problems:					
General	1·1	2·2	0·3	..	..
Systems analysis and planning	0·8	0·6	0·6	..	..
Education, vocational training and retraining	3·4	2·7	4·7	..	..
Cultural questions	—	—	—	..	..
Management and organisation in business and administration	4·5	4·0	4·8	..	..
Improvement of working conditions	0·1	0·1	0·2	..	..
Social action	1·3	1·4	2·4	..	..
Social relationships and conflicts	5·5	4·1	4·8	..	..
Organisation of leisure	0·2	0·2	0·2	..	..
Other	2·9	3·8	5·3	..	..
Total	19·8	19·1	23·3	26·4	38·2
Exploration and exploitation of space:					
General	—	—	—	..	..
Research on launchers and satellites	43·3	43·8	47·4	..	..
Other	—	—	—	..	..
Total	43·3	43·9	47·5	52·3	56·5
Defence	872·3	1,030·3	1,312·7	1,343·5	1,683·6
General promotion of knowledge:					
General	137·5	180·0	207·7	..	..
Exact and natural sciences	127·0	143·3	168·1	..	..
Agronomic research	20·7	26·1	29·2	..	..
Medicinal research	39·0	46·9	56·9	..	..
Engineering research	20·3	17·8	19·7	..	..
Social sciences and humanities	6·4	7·0	8·7	..	..
Other	1·5	1·2	1·5	..	..
Total	352·4	422·2	491·9	507·4	703·4
Total, all objectives	1,660·2	1,942·3	2,402·7	2,477·1	3,226·5

Source: Department of Industry

Expenditure[1] by the research councils — 1974/75 to 1979/80

TABLE 8

	£ thousand					
	1974/75	1975/76	1976/77	1977/78	1978/79 (provisional)	1979/80 (estimates)
Agricultural Research Council[2]						
Expenditure:						
Current	31,525[3]	38,593[3]	43,963[3]	48,971[3]	54,387[3]	60,729[3]
Capital	3,963	3,907	6,394	6,486	9,471	9,238
Medical Research Council						
Expenditure:						
Current	30,651[3]	43,277[3]	46,531[3]	47,860[3]	54,599[3]	62,612[3]
Capital	2,451	2,841	2,832	3,900	5,915	4,716
Natural Environment Research Council						
Expenditure:						
Current	14,324[3]	16,733[3]	19,798[3]	22,502[3]	24,933[3]	28,628[3]
Capital	3,138	4,426	6,591	5,363	6,222	6,831
Science Research Council						
Expenditure:						
Current	79,058	99,415	115,548	124,954	138,876	158,924
Capital	4,628	5,862	9,695	11,810	14,441	17,788
Social Science Research Council						
Expenditure:						
Current	7,072	9,516	11,410	13,621	15,478	17,777
Capital	56	49	39	46	40	42

[1] Including postgraduate awards.
[2] These figures relate to the field under the scientific oversight of the Agricultural Research Council including expenditure and research institutes provided for in the vote of the Department of Agriculture for Scotland.
[3] Including receipts attributable to Cmnd. 5046.

Source: Department of Education and Science.

Expenditure[1] by research councils in support of research at universities—1974/75 to 1979/80

TABLE 9

	£ thousand					
	1974/75	1975/76	1976/77	1977/78	1978/79 (provisional)	1979/80 (estimates)
Research grants to universities						
Agricultural Research Council	817	972	1,322	1,710	1,713	2,036
Medical Research Council	8,055	11,157	11,757	11,606	12,977	17,251
Natural Environment Research Council	1,308	1,646	2,190	2,308	2,363	3,056
Science Research Council	17,136	20,533	25,650	25,364	29,714	39,687
Social Science Research Council	2,171	2,645	3,290	2,810	3,199	2,985
Total	29,487	36,953	44,209	43,798	49,966	65,015
Expenditure on research units within universities						
Agricultural Research Council	1,587	1,733	1,761	1,546	1,431	1,658
Medical Research Council	8,161	11,010	7,287	7,556	8,435	9,328
Natural Environment Research Council	134	79	133	272	138	204
Total	9,882	12,822	9,181	9,374	10,004	11,190
Expenditure on research units or institutes associated with universities						
Agricultural Research Council	4,622	5,459	6,522	6,849	6,690	8,659
Medical Research Council	1,525	2,526	4,466	4,573	5,547	6,218
Natural Environment Research Council	—	—	—	—	—	—
Social Science Research Council	402	525	682	595	632	767
Total	6,549	8,510	11,670	12,017	12,869	15,644
Studentships, fellowships and bursaries						
Agricultural Research Council	19	20	25	22	50	94
Medical Research Council	1,319	1,845	2,135	2,681	3,061	3,652
Natural Environment Research Council	1,048	1,305	1,753	2,556	2,862	3,370
Science Research Council	7,097	9,312	11,794	16,879	19,443	22,851
Social Science Research Council	2,940	3,882	4,902	7,586	8,645	9,648
Total	12,423	16,364	26,609	29,724	34,061	39,615
Research training support grants						
Agricultural Research Council	—	—	—	—	2	4
Medical Research Council	197	229	198	193	186	205
Natural Environment Research Council	191	211	225	229	236	291
Science Research Council	1,532	1,696	1,690	1,698	1,723	2,122
Social Science Research Council	34	38	39	46	67	101
Total	1,954	2,174	2,152	2,166	2,214	2,723

[1] This expenditure is included in Table 8.

Source: Department of Education and Science.

Employment on research and development in central government at 1 January

TABLE 10

	Thousands									
	1979					1980 Provisional				
	Science and technology					Science and technology				
	Scientists and Engineers	Technicians	Other[1]	Social Science	Total	Scientists and Engineers	Technicians	Other[1]	Social Science	Total
Defence	7·2	5·8	22·5	0·1	35·5	6·9	5·6	21·7	0·1	34·3
Civil:										
Overseas services	0·2	0·1	0·1	—	0·5	0·2	0·1	0·1	—	0·4
Agriculture, fisheries and forestry	1·0	1·1	1·6	—	3·7	1·3	1·2	1·6	—	4·1
Industry, trade and employment:										
Aerospace[2]	—	—	—	—	—	—	—	—	—	—
Energy	2·9	1·5	8·4	—	12·9	3·0	1·6	8·4	—	12·9
Other	1·0	1·0	1·3	0·1	3·4	0·9	1·1	1·2	0·1	3·3
Environmental services	1·2	0·1	1·0	0·5	2·8	1·1	0·1	0·9	0·2	2·4
Law, order and protective services	0·1	—	0·1	0·1	0·3	0·1	—	0·1	0·1	0·3
Education and libraries, science and arts:										
Agricultural Research Council	0·5	0·7	0·8	—	2·0	0·5	0·6	0·8	—	1·8
Medical Research Council	1·4	1·1	1·2	—	3·8	1·5	1·0	1·3	—	3·7
Natural Environmental Research Council	1·6	0·1	1·0	—	2·7	1·6	0·1	1·0	—	2·8
Science Research Council	0·8	0·7	1·3	—	2·8	0·9	0·7	1·4	—	3·0
Other Science, etc.	0·2	0·2	0·3	0·1[3]	0·8	0·2	0·2	0·3	0·2[3]	0·8
Health and social security[4]	0·1	0·1	—	—	0·2	0·1	0·1	—	—	0·2
Other public services	—	—	—	0·1	0·1	—	—	—	0·1	0·2
Common services	—	—	0·2	—	0·2	—	—	0·1	—	0·1
Northern Ireland	0·1	0·3	0·3	0·1	0·8	0·1	0·3	0·3	0·1	0·8
Total employed on R&D in science and technology	**18·4**	**12·8**	**40·0**		**71·3**	**18·4**	**12·6**	**39·3**		**70·4**
Total employed on social science research	**0·7**	—	**0·3**	**1·0**	**1·0**	**0·5**	—	**0·2**	**0·8**	**0·8**
Total	**19·2**	**12·9**	**40·3**		**72·3**	**19·0**	**12·6**	**39·6**		**71·2**

[1] Including administrative staff.
[2] Included with Defence.
[3] Social Science Research Council plus education research.
[4] Excluding hospital staff.

Source: Department of Industry.

United Kingdom industrial expenditure on research and development (ST) at current prices

TABLE 11

	£ million							
	1964	1966	1967	1968	1969	1972	1975	1978
Gross expenditure								
All products groups	493	585	611	648	694	839	1,352	2,341
Intra-mural expenditure								
Chemicals and allied products	68	84	86	94	104	138	245	425
Mechanical engineering	40	60	62	63	60	55	103	181
Electronics	106	112	115	128	141	179	279	650
Other electrical engineering		37	38	40	39	40	73	101
Motor vehicles	35	45	45	44	49	58	88	130
Aerospace	139	129	143	150	158	208	292	425
Other manufacturing	89	103	106	110	118	128	213	333
All manufacturing	476	570	594	630	671	806	1,293	2,243
Non-manufacturing	12	10	10	9	10	24	47	81
All product groups	489	580	605	639	680	831	1,340	2,324

Source: Department of Industry.

United Kingdom industrial intramural[1] expenditure on research and development (ST) at current and constant prices and implied deflators

TABLE 12

	£ million							
	1964	1966	1967	1968	1969	1972	1975	1978
Expenditure at current prices	488·6	580·4	604·5	638·7	680·3	830·5	1,340·1	2,324·3
Expenditure at 1975 prices	1,400·1	1,504·4	1,514·1	1,506·3	1,512·9	1,417·6	1,340·1	1,566·2
	Index numbers: 1975 = 100							
Implied price deflators	34·9	38·6	39·9	42·4	45·0	58·6	100·0	148·4

[1] Work carried out within industry itself (i.e. excluding work contracted out to other sectors, e.g. government establishments).

Source: Department of Industry.

United Kingdom industrial intramural expenditure on research and development (ST) at 1975 prices, by manufacturing industry

TABLE 13

	£ million							
	1964	1966	1967	1968	1969	1972	1975	1978
Chemical and allied industries	196	218	216	223	236	231	245	284
Mechanical engineering	115	155	154	148	133	94	103	118
Electronics	222	288	285	297	308	302	279	442
Other electrical engineering	82	93	92	91	85	68	73	69
Motor vehicles	100	120	113	106	112	97	88	88
Aerospace	390	331	356	354	351	366	292	285
Other manufacturing	260	274	272	265	266	219	213	226
Total manufacturing	1,365	1,478	1,488	1,485	1,491	1,376	1,293	1,512

Source: Department of Industry.

Overseas technological royalty transactions

TABLE 14

	£ million							
	Receipts				Expenditure			
	1976	1977	1978	1979	1976	1977	1978	1979
Overseas technological royalty transactions – Estimates for all businesses (excluding oil companies)								
Transactions with								
Related overseas concerns	95·6	107·7	126·0	170·5	168·6	203·4	236·2	268·3
Unrelated overseas concerns	237·2	254·5	261·5	237·6	95·7	93·1	89·4	48·5
All overseas concerns	332·8	362·2	387·5	408·1	264·3	296·5	325·6	316·8

Source: Department of Trade.

Overseas technological royalty transactions

TABLE 15

	£ million							
	Receipts				Expenditure			
	1976	1977	1978	1979	1976	1977	1978	1979
Overseas technological royalty transactions – Analysis of returns received by area or country								
Western Europe[1]	61·18	63·65	64·58	70·58	50·04	48·15	49·33	45·54
European Community	43·77	45·31	44·37	49·19	28·45	26·90	33·24	27·33
of which Belgium/Luxembourg	5·73	6·13	5·97	..	..	..	1·54	..
France	12·00	12·79	11·69	12·84	9·73	10·97	14·89	8·90
West Germany	11·99	11·29	13·50	13·83	5·14	4·76	6·09	..
Italy	9·05	8·38	8·74	9·71	2·40	3·01	2·74	0·96
Netherlands	3·25	4·56	2·41	2·37	..	4·65	6·49	8·35
EFTA	8·27	9·35	9·81	11·40	21·02	21·02	15·86	18·06
of which Sweden	2·58	3·94	4·25	4·19	1·37	1·59	3·27	3·12
Switzerland	2·27	2·52	..	..	19·16	18·92	12·04	14·38
Australia	12·42	10·43	11·87	12·31	0·36	0·56	0·44	0·78
Canada	5·32	5·80	6·01	4·60	0·17	0·24	0·38	..
Japan	28·08	34·60	43·21	..	..	0·81	0·86	..
New Zealand	2·20	2·77	3·07	..	..	..	..	..
South Africa	10·22	10·31	11·81	11·55	..	..	0·12	..
USA	51·83	60·27	68·33	98·11	150·54	178·69	197·98	..
Rest of the World	56·44	63·30	65·13	55·28	4·59	5·61	9·21	2·22
of which Caribbean, Central and S. America	7·29	7·52	9·04	7·92	0·14	0·17	0·27	0·05
World technological and mineral rights	227·69	251·14	273·99	297·67	206·32	234·16	258·33	258·29

[1] Including other Western European countries: Cyprus, Gibraltar, Greece, Malta, Spain, Turkey, and Western European countries not separately designated

Source: Department of Trade.

Overseas technological royalty transactions

TABLE 16

	£ million							
	Receipts				Expenditure			
	1976	1977	1978	1979	1976	1977	1978	1979
Overseas technological royalty transactions – Analysis of returns received by type of industry								
Manufacturing industry	203·19	225·64	249·05	277·27	199·28	227·49	246·90	256·91
of which								
Chemical and allied industries	60·50	58·47	62·50	64·71	42·92	44·41	36·80	44·85
Mechanical and instrument engineering	23·61	40·22	39·58	63·75	40·69	55·25	62·82	68·94
Electrical engineering	19·73	22·56	23·75	25·57	54·88	64·47	78·05	85·72
Other	99·35	104·39	123·22	123·24	60·79	63·36	69·23	57·40
Total non-manufacturing industry	24·50	25·50	24·94	20·40	7·04	6·67	11·43	11·38
World technological and mineral rights	227·69	251·14	273·99	297·67	206·32	234·16	258·33	268·29

Source: Department of Trade.

APPENDIX 2

Technical Annex

Definitions

The statistics of R&D in the article are based on definitions given in the so-called 'Frascati Manual'[7]. This document is published by the Organisation for Economic Co-operation and Development (OECD) for use by its member states and is used by other international agencies as a basis for the statistics of R&D. The fundamental definition of R&D is, according to the manual, '. . creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications'. This definition embraces work in the field of both science and technology – R&D (ST) – and social science. Whilst the annual inquiry into expenditure by government departments covers the complete range of R&D, the triennial inquiry addressed to industry only is restricted to R&D (ST). This distinction is reflected in the coverage of the tables in the article. Tables B, 4, 6, 7 and 10 cover R&D as a whole, whilst tables A, 1, 2, 3, 5 and the two charts are restricted to R&D (ST), and exclude expenditure on social science.

Sectors of the economy are defined for purposes of this article, in a Central Statistical Office publication, 'Studies in Official Statistics No. 27, *Research and Development Expenditure and Employment*'.

Revision of results published in earlier articles

This article takes into account the final results of the 1978 industrial survey and those of the government inquiry for 1978/79. Revisions have increased the global total for 1978 quoted in an earlier article in *Economic Trends*, No. 321, July 1980. The results used here may now be taken as final for 1978 and all earlier years. Central government expenditure for the financial year 1979/80 will be made the subject of an inquiry to be conducted this autumn. Results of the inquiry will provide final estimates of the 1979 central government figures.

The annual survey of government R&D

The central government sector has, for the purposes of the R&D survey, the same coverage as in the national accounts. Thus, in addition to central government departments, including Northern Ireland departments, certain other bodies which finance or carry out research are covered. Examples of non-departmental bodies which fund or perform research are the five research councils, the United Kingdom Atomic Energy Authority, the Forestry Commission and national health service hospitals.

Research work in universities can either be financed by grants from 'customers' for specific projects or from general university funds, particularly where academic staff are engaged on reasearch when they are not teaching. Universities are mainly funded by the government general grant-in-aid; in estimating the total amount of research in universities funded by central government, therefore, it is necessary to add the cash payments for specific projects to an amount representing the proportion of the general grant-in-aid devoted to research. This estimated amount is supplied for the government R&D survey by the University Grants Committee and is very tentative; the present figures are based on an enquiry into the use of academic staff time in 1969/70. No amounts are at present included for research in the social sciences or humanities, nor for the research training of post graduate students.

The government R&D survey is taken each summer and covers expenditure in financial years (April to March) and numbers employed at 1 January. Each year's survey questionnaire asks for full details of R&D expenditure and employment for a recent year and fewer details, of expenditure only, for the current and some future years.

For example, the 1980 survey, taken last summer, covered:

a Full details of expenditure in 1978/79.

b 'Provisional outturn' figures in limited detail of expenditure in 1979/80.

c Estimates of expenditure at constant prices (1980 public expenditure survey prices) for each year 1980/81 to 1984/85. For forthcoming years only estimates of total expenditure were collected.

d Numbers employed (full-time equivalents) at 1 January 1979 and 1980.

The following details are collected for the year for which full information is required:

1 gross intramural expenditure on salaries and wages, materials and equipment, other current expenditure, land and buildings, plant and other fixed assets (including vehicles);

2 gross expenditure on extramural R&D and current and capital grants for research purposes (including subscriptions to research bodies), analysed by receiving sector (including other central government bodies);

3 receipts used directly to finance expenditure (appropriations-in-aid), analysed by paying sector (including other central government bodies);

4 total gross expenditure (the sum of *1* and *2* but excluding payments under *2* from one part of central government to another, such as from a department to a research council, to avoid double-counting);

5 net expenditure (the sum of *1* and *2 less 3*; the aggregate of net expenditure on all returns equals the R&D element of the government's budgeted expenditure);

6 net expenditure allocated to 'objectives' within the European Communities 'Nomenclature for the analysis and comparison of science programmes and budgets (NABS)';

7 current intramural expenditure analysed by type of R&D (basic, applied, development);

8 numbers of personnel engaged in R&D, with those holding a degree or equivalent qualification analysed by field of qualification and those without a degree divided between technicians, administrative and clerical staff and other supporting staff.

Expenditure and employment on R&D in science and technology (ST) and in the social sciences and humanities (SSH) are reported separately. The SSH form does not ask for an analysis of expenditure by type of research (item *7*).

The completed returns, up to the survey carried out in 1979 to determine 1977 final outturn, were processed by the Central Statistical Office; from 1980 processing has been handled by the Department of Industry, Statistics branch 1A.

The functional analysis of government expenditure and employment on R&D, as used in the published tables, is obtained by aggregating the returns within certain long-standing groups of programmes, though within the 'education, science, etc.' group each research council is itemised separately. The published analyses do not show government

expenditure on research on particular functions, industries or services in full; for example, some government support for agricultural research is included in the items 'Overseas services' and 'Northern Ireland' as well as in agriculture, forestry and fishing and the Agricultural Research Council. The alternative published analysis of government expenditure on R&D, by objectives, is based on the separate forms submitted by departments for item *6* above.

The figures of government R&D expenditure are for financial years (April-March), whereas other sectors' R&D surveys cover varying periods, normally the accounting years of the individual organisations. It is not possible to build up an entirely consistent picture of the total research effort of the country, especially where one sector funds another sector's research work. In particular, it is usual for the figure from the government survey of payments to industry to be significantly higher than the figure in the industry survey for receipts from the government (a note discussing the reasons for this discrepancy appeared in *Statistical News* No 10, August 1970[2]). Total expenditure on R&D in the country is, where possible, measured from the performers' figures rather than the funders'; it should therefore be remembered that the figures in the central government gross R&D expenditure tables of payments to industry are not compatible with the figures of total R&D performed in the United Kingdom.

Finally, it should be remembered that the UK government has no research budget as such. Departments allocate their total budgets in accordance with their own policies and priorities, with R&D making up only a relatively small part of the budget of each department.

References

[1] *Trade and Industry* (now *British business*), 6 April 1979. 'Industrial research and development in 1975'. HMSO

[2] *Statistical News*, August 1970. 'Government spending on research and development in private industry'. HMSO

[3] *Supply Estimates* 1980/81, Cmnd 7869 and *Supply Estimates* 1981/82, Cmnd 8184. HMSO

[4] Nomenclature for the analysis and comparison of science programmes and budgets: 1975 version. SOEC, Luxembourg.

[5] Industrial Research and Development Expenditure and Employment, 1978, *Business Monitor MO*14. HMSO.

[6] 'Overseas royalties and similar transactions in 1979', *British business*, 12-18 June 1981. HMSO.

[7] The Measurement of Scientific and Technical Activities (the 'Frascati Manual'). OECD, PARIS 1976; available from HMSO.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings	5,40	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	5,48	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Banking		Bank of England	Financial Statistics
Bank advances	62,64		
Deposits with the banking sector	62		
Bank of England's minimum lending rate (see also Interest rates)	66		
British government securities (long-dated) 20 years yield	66		
Building societies		Central Statistical Office Building Societies Association	Financial Statistics
Advances on new dwellings	20		
Average prices of new dwellings on mortgage (see also Housing)	20		
Commitments on new dwellings	20		
Recommended share rate (see also Interest rates)	66		
Car registrations and production (see also Motor vehicles)	12,32		
CBI Intentions Inquiry (see also Fixed investment)	18		
Coal (see also Fuel and power)	24		
Commercial vehicles, production (see also Motor vehicles)	32		
Companies		Central Statistical Office	Financial Statistics
Appropriation account	60		
Financial companies			
Financial account, net acquisition of financial assets	58,62		
Saving	58,60		
Gross trading profits	60		
In relation to total domestic income	14		Monthly Digest of Statistics
Income	60		Financial Statistics
Industrial and commercial companies	60		
Financial account, net acquisition of financial assets	58		
Fixed investment	62		
Saving	58		
Security prices and yields (see also Interest rates)	66		
Stock appreciation	60		
Taxes	60		
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of industrial production (see also Industrial production)	26		
Orders received	18,20,30		
Output	30		

	Page	Source	Further statistics
Consumer credit	12		
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	10		
In relation to personal income	10		
In relation to total final expenditure	14		
Per capita	14		
Current balance (see also Balance of payments)	5,48		
Cyclical indicators	58		
Distributive trades			
Output (see also Retail sales; Stocks)	28	Central Statistical Office	Monthly Digest of Statistics
Dividends, interest and current transfer payments	60		
Domestic income (see also Incomes)	14		
Dwellings (see Housing)			
Earnings (average)	5,40	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Effective exchange rate of sterling	50	HM Treasury	Financial Statistics
Electricity (see also Fuel and power)	24,26		
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Employment Gazette
All industries and services	34,36		
Index of production industries, manufacturing industries	34		
Energy (see also Fuel and power)	24,26		
Engineering industries		Department of Industry	Monthly Digest of Statistics; British business
Sales and orders: total, home market and export	30		
Eurodollar 3-month rate (see also Interest rates)	66		
Exchange rates	5,50	Bank of England	Financial Statistics
Expenditure (see also Total final expenditure)	8,14		
Exports			
Of goods		Department of Trade	Monthly Digest of Statistics; British business; Monthly Review of External Trade Statistics
Unit value index	44		
Unit value index for manufactures (international comparisons)	46		
Value	48		
Volume index	44		
Of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles	32		
Orders: engineering industries	30		
Relative prices (as measure of trade competitiveness)	46	Department of Trade	Monthly Review of External Trade Statistics
Relative profitability (as measure of trade competitiveness)	46	Department of Trade	Monthly Review of External Trade Statistics
Final expenditure (see also Total final expenditure)	8,14		
Financial accounts, analysis by sector	58	Central Statistical Office	Financial Statistics
Financial companies (see Companies)	58		

	Page	Source	Further statistics
Fixed investment			
By industrial and commercial companies (see also Companies)	62		
By sector and by type of asset	16	Central Statistical Office	Monthly Digest of Statistics
Dwellings (see Housing)	16,20		British business
In relation to total final expenditure	8,14		Monthly Digest of Statistics
Manufacturing industry			
CBI Intentions Inquiry	18	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	18	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	18	Department of Industry	Monthly Digest of Statistics
Investment Intentions Inquiry	18		British business
Fuel and power			
Consumers' expenditure on fuel and light	10	Central Statistical Office	Monthly Digest of Statistics
Industrial production: index for gas, electricity and water industries	26	Department of Energy	Monthly Digest of Statistics
Primary fuel input: total, coal and petroleum	24		United Kingdom Energy Statistics
Public supply: gas and electricity	24		Energy Trends
Gas (see also Fuel and power)	24,26		
General government consumption of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Gross domestic fixed capital formation (see Fixed investment)	14,16,20,60		
Gross domestic product	6	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to output	28		
In relation to stocks	22		
Per capita	14		
Gross national product *per capita*	14	Central Statistical Office	Not published elsewhere
Gross trading profits of companies (see Companies)	60		
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics
			British business
			Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics
			Employment Gazette
Housing			
Average price of new dwellings mortgages approved	20	Department of the Environment Building Societies Association	Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16,20		
Orders received by contractors for new houses	20	Department of the Environment	Monthly Digest of Statistics
Starts and completions	20	Scottish Development Department	Housing and Construction Statistics
Imports			
Of goods		Department of Trade	Monthly Digest of Statistics
Unit value index	44		British business
Value	48		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Price competitiveness	46	Central Statistical Office	Not published elsewhere
Incomes		Central Statistical Office	Monthly Digest of Statistics
Company income (see also Companies)	60		
Income from employment as a percentage of total domestic income (see also Wages; Earnings)	14		
Personal disposable income	10		
Per capita	14		
Personal income before tax	10		
Total domestic income	14		

	Page	Source	Further statistics
Industrial commercial companies (see also Companies)	60		
Industrial production: index	5,26	Central Statistical Office	Monthly Digest of Statistics
By market sector	26		
By selected industries	26		
In relation to output	28		
In relation to stocks (manufacturing industries)	22		
Inter-bank 3-month rate (see Interest rates)	66		
Interest rates	66		Financial Statistics
Bank of England's minimum lending rate			
British government securities long-dated (20 years) yield			
Building Societies Association recommended share rate		Central Statistical Office	
Eurodollar 3-month rate		Bank of England	
Financial Times index of industrial ordinary shares		HM Treasury	
Inter-bank 3-month rate		Building Societies Association	
Local authorities 3-month deposit rate		*Financial Times*	
London clearing banks base rate and 7-day deposits		Institute of Actuaries	
Sterling certificates of deposit		Faculty of Actuaries	
Treasury bill yield			
US $ deposits in London			
Invisibles (see also Balance of payments)	48		
Liquidity, private sector	52	Bank of England	Financial Statistics
Local authorities 3-month deposit rate (see also Interest rates)	66		
London clearing banks rates (see also Interest rates)	66		
Manufacturing industry (See Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Stocks; Wage rates; Wages and salaries)			
Money stock	5,52,54	Bank of England	Financial Statistics
Motor vehicles			
Consumers' expenditure on cars and motor-cycles	10	Central Statistical Office	Monthly Digest of Statistics
New car registrations	12	Department of the Environment	Monthly Digest of Statistics
Production of passenger cars and commercial vehicles: total and for export	32	Department of Industry Department of Industry	British business
National disposable income	6	Central Statistical Office	
Net acquisition of financial assets	58	Central Statistical Office	Financial Statistics
Notes and coin in circulation with the public (see Banking)			
Official reserves	5,50	HM Treasury	Financial Statistics Monthly Digest of Statistics
Orders received			
By construction industry (see also Construction)	18,20,30		
By contractors for private industrial work	18	Department of the Environment	Housing and Construction Statistics
By engineering industries (see also Engineering)	30		
Output			
By construction industry (see also Construction)	30		
By engineering industries	30		
Index numbers by industry groups	28	Central Statistical Office	Monthly Digest of Statistics
Per person employed	34		
Overseas trade (see Exports; Imports; Visible trade)			

	Page	*Source*	*Further statistics*
Personal disposable income	10,14	Central Statistical Office	Monthly Digest of Statistics
Personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Petroleum (see also Fuel and power)	24		
Population			
Estimates *per capita*, income, product and spending	14	Central Statistical Office	Not published elsewhere
Working	36	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Prices			
Average price of new dwellings on mortgage (see also Housing)	20		
Pensioner price indices	42	Department of Employment	Employment Gazette
Relative wholesale prices (as measure of trade competitiveness)	46	Department of Trade	Not published elsewhere
Retail price index	5,42	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Tax and price index	5		
Wholesale price index; input and output	5,42	Department of Industry	Monthly Digest of Statistics; British business
Wholesale price index (international comparisons)	46	Department of Trade	Not published elsewhere
World commodity prices index	44	Department of Industry	British business
Private sector			
Financial account, net acquisition of financial assets	58	Central Statistical Office	Financial Statistics
Gross fixed investment	14,16		Monthly Digest of Statistics
Housing starts and completions (see Housing)	20		
Liquidity	52	Bank of England	Financial Statistics
Production (see Industrial production; Motor vehicles)	26		
Profits (see Companies)	60		
Profits and dividends in invisible trade (see Balance of payments)			
Public sector		Central Statistical Office	Financial Statistics
Borrowing requirement	54,56		
Financial account, net acquisition of financial assets	58		
Fixed investment	14,16		
Housing starts and completions (see Housing)			
Receipts	56		
Purchasing power of the pound	42	Central Statistical Office	Not published elsewhere
Reserve ratio (see also Banking)	64		
Reserves, Official	5,50	HM Treasury	Financial Statistics; Monthly Digest of Statistics
Retail prices index (see also Prices)	5,42		
Retail sales			
Volume index numbers	5,12	Department of Industry	Monthly Digest of Statistics; British business
Value index numbers	12		
Ratio of distributors' stocks to retail sales	22	Central Statistical Office; Department of Industry	
Regional unemployment rates (see Unemployment)			
Rent and non-trading income	60		
Salaries (see also Wages and salaries)	40		
Saving, company (see also Companies)	58,60,62		
Savings ratio, personal	10	Central Statistical Office	Monthly Digest of Statistics
Services (see Balance of payments)	48		

	Page	Source	Further statistics
Steel production and consumption	32	Department of Industry	Monthly Digest of Statistics
Sterling certificates of deposit (see Interest rates)	66		
Sterling			
effective exchange rate	5,50	HM Treasury	Financial Statistics
exchange rates against major currencies	50	Bank of England	
Stock appreciation, company sector (see Companies)	60		
Stocks			
Changes by industry groups	22	Central Statistical Office	Monthly Digest of Statistics; British business
Ratios: total stocks to GDP(E), manufactured stocks to manufacturing production, distributors' stocks to retail sales	22		
Total changes in relation to GDP(E)	8		Monthly Digest of Statistics
Taxes		Central Statistical Office	Financial Statistics
On capital	56		
On income	56		
On expenditure	56		
Payment of taxes by companies	60		
Tax and price index	5		
Terms of trade	44	Department of Trade	Monthly Digest of Statistics; British business
Total domestic income (see also Incomes)	14		
Total final expenditure on goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Trade competitiveness measures	46	Department of Trade; Central Statistical Office; International Monetary Fund	Monthly Review of External Trade Statistics; International Financial Statistics
Transfers (see Balance of payments)	48		
Treasury bill yield (see also Interest rates)	66		
Undistributed income	60		
Unemployment		Department of Employment	Monthly Digest of Statistics; Employment Gazette
Regional unemployment rates	38		
Total unemployed; unemployed excluding school-leavers and adult students; including school-leavers	5,36		
Unfilled vacancies	5,36	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Unit labour costs (international comparisons)	46	International Monetary Fund	International Financial Statistics
Unit values of exports and imports (see also Exports; Imports)	44		
Vacancies notified and remaining unfilled	5,36		
Visible trade (see also Exports; Imports)	5,44,48	Central Statistical Office; Department of Trade	Monthly Digest of Statistics; British business
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Employment Gazette
Wholesale prices index (see also Prices)	42		
Working population (see also Population)	36		

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